

And your petitioners will ever pray, etc.

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COMMONWEALTH OF PENNSYLVANIA,

*County of Allegheny, ss:*

Before me, the undersigned authority, a Notary Public in and for said County and Commonwealth, personally appeared James W. Hamilton, who first being duly sworn according to law deposes and says that he is Secretary of Carnegie-Illinois Steel Corporation, one of the within named petitioners, and that the matters of fact set forth in the within petition are true as affiant verily believes and as petitioners expect to be able to prove.

JAMES W. HAMILTON.

Sworn to and subscribed before me this 6th day of April 1946.

[N. P. SEAL],

LOTTIE R. KEYS,  
*Notary Public.*

My commission expires January 2, 1949.

A true copy.

[SEAL]

WM. P. ROWLAND,  
*Clerk.*

## Answer to Question No. 11

The twenty largest steel fabricators on the Pacific Coast, who are potential purchasers of steel from Geneva and other steel plants, and the approximate tonnage which those companies purchased from Columbia Steel Co. and other subsidiaries of United States Steel are as follows:

|  | 1939   | 1940   | 1941   | 1942   | 1943   | 1944   | 1945  | First 6 months 1946 |
|--|--------|--------|--------|--------|--------|--------|-------|---------------------|
| Bethlehem Pacific Coast Steel Corp.                    | 0      | 0      | 0      | 0      | 0      | 0      | 0     | 0                   |
| Judson Pacific Murphy Corp., Shipbuilding              | 128    | 1,408  | 1,631  | 5,050  | 2,407  | 2,975  | 3,896 | 2,991               |
| Moore Dry Dock Co.                                     | 20,207 | 11,649 | 53,002 | 138    | 86,716 | 1,019  | 1,173 | 805                 |
| Consolidated Steel Corp.                               | 19,760 | 21,060 | 30,796 | 11,033 | 4,612  | 3,383  | 6,756 | 16,911              |
| Shipyard Division                                      | 0      | 0      | 0      | 1,422  | 1,403  | 6,124  | 217   | 0                   |
| Ordnance Division                                      | 0      | 0      | 0      | 0      | 1,403  | 130    | 0     | 0                   |
| Pacific Iron & Steel Co., Ltd.                         | 709    | 1,548  | 3,844  | 6,446  | 2,214  | 2,214  | 3,092 | 3,344               |
| Pope & McQuinn Steel Co.                               | 4,805  | 3,872  | 1,953  | 1,886  | 4,023  | 2,507  | 3,425 | 3,970               |
| Lawson Iron Works                                      | 340    | 4,469  | 1,142  | 4,094  | 4,422  | 4,963  | 2,440 | 1,109               |
| Pacific Car & Foundry Co.                              | 6,896  | 4,370  | 13,136 | 9,614  | 3,136  | 7,923  | 2,972 | 2,037               |
| Herrick Iron Works                                     | 4,422  | 6,503  | 6,120  | 10,476 | 1,436  | 2,453  | 3,035 | 2,380               |
| Independent Iron Works                                 | 3,656  | 1,355  | 1,460  | 2,257  | 3,234  | 1,116  | 1,545 | 475                 |
| Union Iron & Steel Co.                                 | 0      | 0      | 110    | 1,681  | 549    | 1,448  | 1,068 | 287                 |
| Williamette Iron & Steel Corp.                         | 289    | 4,369  | 2,953  | 3,111  | 1,716  | 845    | 16    | 0                   |
| Willamette Iron & Steel Corp., Transportation Division | 1,397  | 2,672  | 3,872  | 5,752  | 1,117  | 1,117  | 1,433 | 1,555               |
| Bushler Tank & Welding Works                           | 1,123  | 4,032  | 3,423  | 6,307  | 2,308  | 11,246 | 2,265 | 1,169               |
| Southwest Welding & Mfg. Co.                           | 14,673 | 16,360 | 32,447 | 86,557 | 39,153 | 34,355 | 7,420 | 4,253               |
| Western Pipe & Steel Co.                               | 12,361 | 16,549 | 17,403 | 16,197 | 10,169 | 164    | 8,047 | 89                  |
| Los Angeles  | 0      | 0      | 0      | 2,436  | 0      | 10,954 | 8,057 | 6,990               |
| Shipbuilding - Los Angeles                             | 0      | 0      | 0      | 0      | 0      | 6,771  | 1,290 | 78                  |
| Shipbuilding - San Francisco                           | 0      | 0      | 0      | 0      | 367    | 1,052  | 1,736 | 3,736               |
| Beach Rock Co., Shipbuilding                           | 633    | 2,855  | 4,913  | 2,732  | 408    | 2,890  | 872   | 0                   |
| Steel Tank & Pipe Co.                                  | 0      | 0      | 0      | 10     | 46     | 373    | 693   | 297                 |
| American Pipe & Construction Co.                       | 343    | 389    | 396    | 3,527  | 905    | 5,355  | 1,930 | 866                 |
| Pacific Iron Machinery Depot                           | 373    | 2,434  | 3,387  | 3,439  | 2,804  | 1,540  | 2,586 | 1,330               |
| Pacific Iron & Bridge Works, Inc.                      | 1,118  | 2,911  | 4,037  | 3,453  | 1,113  | 1,678  | 2,068 | 3,514               |
| Cyan Steel Construction Co.                            | 2,143  | 2,976  | 3,705  | 706    | 327    | 1,227  | 2,068 | 0                   |
| United Concrete Pipe Corp.                             | 228    | 192    | 690    | 1,714  | 708    | 1,476  | 2,065 | 5,580               |
| Southwestern Engineering Co.                           | 726    | 6,634  | 2,001  | 1,783  | 2,129  | 1,550  | 6,61  | 197                 |
| Guadalupe Iron   | 689    | 2,018  | 370    | 2,490  | 2,347  | 2,961  | 2,366 | 100                 |

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*Plaintiff's Exhibit 29*

*Geneva Steel Co., shipments of iron and steel products, January to April 1947, inclusive, net tons*

|                               | To customers | To subsidiaries for further processing | To subsidiaries for their own use in construction, maintenance, and repairs |                      | Total   |
|-------------------------------|--------------|--|---|----------------------|---------|
|                               |              |  | Columbia  | U. S. Steel products |         |
| Rolled steel products:        |              |  |   |                      |         |
| Blooms and large billets      | 148          |  |   |                      | 148     |
| Plate slabs                   | 1,035        | 1,364                                  |   |                      | 1,399   |
| Small billets and light slabs | 43           | 18,654                                 |   |                      | 18,697  |
| Sheared plates                | 171,742      |  | 35  | 254                  | 172,031 |
| Structural shapes             | 20,301       |  | 14  |                      | 20,315  |
| Total rolled steel products   | 202,468      | 19,018                                 |   | 254                  | 221,740 |
| Pig iron                      | 46,040       | 46,420                                 | 40  |                      | 92,500  |

1 To Carnegie-Illinois Steel Corp.

2 To Columbia Steel Co.

Source: Records of Geneva Steel Co.

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*Plaintiff's Exhibit 30*

*Consolidated Steel Corporation and subsidiaries estimated fabricated structural steel awards and shipments for the calendar year 1946*

## NET TONS

|  | Total awards | AISC type awards | Non-AISC type awards |
|--|--------------|------------------|----------------------|
| 1. Awards—11 States:   |              |                  |                      |
| Total awards—4 months (as shown by Defendant's Exhibits 26, 27, and 28, respectively)                  | 25,481       | 27,323           | 1,219                |
| Estimated awards for period Sept. 1, 1945, to Dec. 31, 1945  | 8,230        | 8,980            | 370                  |
| Estimated total awards for calendar year 1946  | 27,731       | 36,143           | 1,589                |
| 2. Estimated total tonnage of fabricated structural steel jobs completed during the calendar year 1946 | 25,800       |                  |                      |

NOTE.—Segregation between type of products reported by the American Institute of Steel Construction and the type of products not included in the AISC reports is not available. However on the basis of 1945 data contained in Defendant's Exhibits 27 and 28 it is estimated that approximately 95 percent of the additional awards during the period Sept. 1, 1945, to Dec. 31, 1945, are of the type reported by the American Institute of Steel Construction.

Source: Estimated from records of Consolidated Steel Corp. and subsidiary companies.

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## Plaintiff's Exhibit 31

10 largest structural steel fabricators in re 11 Western States, 1936

| Company                             | Location             | Bookings<br>(net tons) | Percent<br>of total |
|-------------------------------------|----------------------|------------------------|---------------------|
| All companies                       |                      | 341,468                | 100.0               |
| United States Steel Corp            | Pittsburgh, Pa.      | 44,083                 | 12.9                |
| Consolidated Steel Corp             | Los Angeles, Calif.  | 40,893                 | 12.0                |
| Bethlehem Steel Co.                 | Bethlehem, Pa.       | 36,047                 | 10.6                |
| Moshier Steel Co.                   | Houston, Tex.        | 29,814                 | 8.7                 |
| Chicago Bridge & Iron Co.           | Chicago, Ill.        | 21,588                 | 6.3                 |
| Isaacson Iron Works                 | Seattle, Wash.       | 10,656                 | 3.1                 |
| Kansas City Structural Co.          | Kansas City, Kans.   | 10,051                 | 2.9                 |
| Midwest Steel & Iron Works Co.      | Denver, Colo.        | 9,306                  | 2.7                 |
| Northwest Steel Rolling Mills, Inc. | Seattle, Wash.       | 9,000                  | 2.6                 |
| Structural Steel & Forge Co.        | Salt Lake City, Utah | 8,300                  | 2.4                 |
| Total 10 companies                  |                      | 219,738                | 64.4                |
| Remaining 80 companies              |                      | 121,730                | 35.6                |

1142

## Plaintiff's Exhibit 32

Proportion of consolidated steel production to comparable total production in the consolidated market in the years 1937 and 1939

|                               | 1937         | 1939         |
|-------------------------------|--------------|--------------|
| Total production              | \$50,031,359 | \$51,291,084 |
| Consolidated production       | 16,074,620   | 10,582,331   |
| Percent consolidated of total | 28.7         | 20.6         |

1 Total production is taken from the United States Biennial Census of Manufactures. The figures represent the value of products for the following Census Industries (a) Fabricated Structural Steel and Ornamental Metal Works made in plants not operated in connection with rolling mills. The Census description of the industry is as follows: "The establishments classified in this industry are engaged primarily in fabricating metal for structural and ornamental purposes. Some of the chief products are structural steel for buildings and bridges, ornamental iron and steel work, balconies, bank fixtures, fabricated bars and rods for reinforcing concrete, elevator enclosures, iron fences, fire escapes, and grating. In some cases the fabrication is of a minor nature, consisting of merely cutting, punching, and shaping steel incidental to the principal business of construction work or the buying and selling of steel and other metals, but the census figures relate only to the shop fabrication departments of such establishments.

"The phrase made in plants not operated in connection with rolling mills refers to production in plants operated entirely independently of rolling mills, although in some cases under the same ownership."

(b) Power Boilers and Associated products: The census description of this industry is as follows: "This industry, as constituted for census purposes, embraces establishments primarily engaged in the manufacture of power boilers, smokestacks, heavy tanks, plate work (cut, punched, and shaped for assembly on job), and miscellaneous boiler-shop products. The classification does not cover the manufacture of range boilers which are classified in the "Enameled-iron sanitary ware and other plumbers' supplies (not including pipe and vitreous and semivitreous china sanitary ware) industry."

(c) Wrought pipes, welded and heavy riveted—made in plants not operated in connection with rolling mills: The census description of this industry is as follows: "This industry, as constituted for census purposes, embraces establishments primarily engaged in the manufacture of iron and steel wrought-welded pipes, tubes, lock-joint and heavy riveted pipes, and electrical conduit. The phrase made in plants not operated in connection with rolling mills refers to production in plants operated entirely independently of rolling mills, although they may be in some cases under the same ownership."

The figures shown for Consolidated are total sales for it and its subsidiaries as given in its answer to interrogatory 7. In these years all Consolidated and Consolidated subsidiaries products were produced in California, though they were sold in the area described as the Consolidated market.



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## Plaintiff's Exhibit 33

Bookings of fabricated structural steel tonnage by companies in 11 Western States for 1946

| Company                                 | Location              | Bookings | Source |
|---|-----------------------|----------|--------|
| Allison Steel Mfg. Co.                  | Phoenix, Ariz.        | 100      | I      |
| Apex Steel Corp., Ltd.                  | Los Angeles, Calif.   | 2,947    | L      |
| Atlas Scraper & Engineering Co.         | Bell, Calif.          | 3,327    | L      |
| Austin Brothers                         | Dallas, Tex.          | 4,756    | L      |
| John W. Beam Co.                        | Denver, Colo.         | 10       | L      |
| Roy F. Becker Co.                       | Portland, Oreg.       | 863      | L      |
| Berkeley Steel Construction Co.         | Berkeley, Calif.      | 2,080    | L      |
| Bethlehem Steel Co.                     | Bethlehem, Pa.        | 36,047   | L      |
| Bliss Mill Division (Austin Co.)        | Cleveland, Ohio       | 1,369    | L      |
| Calrod Engineering Works                | Helena, Mont.         | 125      | L      |
| California Steel Products Co.           | Richmond, Calif.      | 504      | L      |
| Capital Steel & Iron Co.                | Oklahoma City, Okla.  | 5,223    | I      |
| Chicago Bridge & Iron Co.               | Chicago, Ill.         | 21,588   | L      |
| Clinton Bridge Works                    | Clinton, Iowa         | 275      | L      |
| Consolidated Steel Corp.                | Los Angeles, Calif.   | 40,903   | L      |
| Continental Bridge Co.                  | Chicago, Ill.         | 406      | A      |
| Converse Bridge & Steel Co.             | Chattanooga, Tenn.    | 11       | L      |
| Creamer & Dunlap                        | Tulsa, Okla.          | 12       | L      |
| Cyclops Iron Works                      | San Francisco, Calif. | 665      | L      |
| Darbyshire-Harvie Iron & Machinery Co.  | El Paso, Tex.         | 3,768    | A      |
| Denver Steel & Iron Works Co.           | Denver, Colo.         | 482      | A      |
| John Dollinger, Jr., Inc.               | Beaumont, Tex.        | 3,505    | A      |
| Dravo Corp.                             | Pittsburgh, Pa.       | 16       | L      |
| Duffin Iron Co.                         | Chicago, Ill.         | 34       | L      |
| Emco Derrick & Equipment Co.            | Los Angeles, Calif.   | 805      | L      |
| Fort Pitt Bridge Works                  | Pittsburgh, Pa.       | 750      | L      |
| Fort Worth Structural Steel Co.         | Fort Worth, Tex.      | 19       | L      |
| Gardener Mfg. Co.                       | Oakland, Calif.       | 200      | A      |
| Goslin-Birmingham Mfg. Co.              | Birmingham, Ala.      | 215      | L      |
| Hansell-Elecock Co.                     | Chicago, Ill.         | 195      | L      |
| Joshua Hendy Iron Works                 | Sunnyvale, Calif.     | 2,965    | L      |
| Herrick Iron Works                      | Oakland, Calif.       | 4,387    | L      |
| Illinois Steel Bridge Co.               | Jacksonville, Ill.    | 42       | L      |
| Independent Iron Works                  | Oakland, Calif.       | 5,553    | L      |
| Ingalls Iron Works Co.                  | Birmingham, Ala.      | 2,356    | L      |
| Isaacson Iron Works                     | Seattle, Wash.        | 10,656   | L      |
| Jones & Laughlin Steel Corp.            | Pittsburgh, Pa.       | 5,587    | A      |
| Judson-Pacific Murphy Corp.             | San Francisco, Calif. | 5,443    | A      |
| Kansas City Structural Co.              | Kansas City, Kans.    | 10,051   | L      |
| Kyle Steel Construction Co.             | Vernon, Calif.        | 2,100    | L      |
| Lakeside Bridge & Steel Co.             | Milwaukee, Wis.       | 281      | L      |
| Lehigh Structural Steel Co., Inc.       | Allentown, Pa.        | 554      | L      |
| Levinson Steel Co.                      | Pittsburgh, Pa.       | 33       | A      |
| Martin Iron Works                       | Reno, Nev.            | 169      | L      |
| Anthony Meyerstein                      | Cicero, Ill.          | 600      | I      |
| Midland Structural Steel Co.            | Minneapolis, Minn.    | 3,250    | L      |
| Minneapolis-Moline Power Implement Co.  | Decatur, Ill.         | 1,726    | L      |
| Mississippi Valley Structural Steel Co. | Leavenworth, Kans.    | 721      | L      |
| Missouri Valley Bridge & Iron Co.       | Oakland, Calif.       | 119      | L      |
| Moore Dry Dock Co.                      | Houston, Tex.         | 4,592    | L      |
| Mosher Steel Co.                        | Muskogee, Okla.       | 39,874   | A      |
| Muthkoege Iron Works                    | Denver, Colo.         | 350      | L      |
| Midwest Steel and Iron Works Co.        | Chicago, Ill.         | 9,305    | L      |
| 1145 Gage Structural Steel Co.          | Nashville, Tenn.      | 729      | L      |
| Nashville Bridge Co.                    | Nashville, Tenn.      | 618      | A      |
| National Iron Works                     | San Diego, Calif.     | 1,692    | A      |
| Northwest Steel Rolling Mills, Inc.     | Seattle, Wash.        | 9,000    | A      |
| Omaha Steel Works                       | Omaha, Neb.           | 305      | A      |
| Pacific Car & Foundry Co.               | Renton, Wash.         | 5,803    | L      |
| Pacific Coast Engineering Co.           | Alameda, Calif.       | 115      | L      |
| Pacific Iron & Steel Co.                | Los Angeles, Calif.   | 6,724    | L      |
| Panhandle Steel Products                | Wichita Falls, Tex.   | 2,477    | A      |
| Paxon & Vierling Iron Works             | East Omaha, Neb.      | 318      | A      |
| Pennsylvania Iron Works                 | East Pittsburgh, Pa.  | 450      | L      |
| Pittsburgh-Des Moines Steel Co.         | Pittsburgh, Pa.       | 969      | L      |
| Poole & McGonigle                       | Portland, Oreg.       | 350      | L      |
| Provo Foundry & Machine Co.             | Provo, Utah           | 300      | L      |
| Puget Sound Bridge & Dredging Co.       | Seattle, Wash.        | 210      | L      |
| Railway & Industrial Engineering Co.    | Greensburg, Pa.       | 262      | A      |
| Robberson Steel Co.                     | Oklahoma City, Okla.  | 1,026    | L      |
| Joseph T. Ryerson & Son, Inc.           | Chicago, Ill.         | 2,748    | L      |
| William C. Schmitt                      | Portland, Oreg.       | 3,868    | L      |
| Schrader Iron Works, Inc.               | San Francisco, Calif. | 2,196    | A      |

See footnotes at end of table.

*Bookings of fabricated structural steel tonnage by companies in 11 Western States for 1946—Continued*

| Company                        | Location              | Bookings | Source |
|--------------------------------|-----------------------|----------|--------|
| Southwest Welding & Mfg. Co.   | Alhambra, Calif.      | 988      | L      |
| Star Iron & Steel Co.          | Tacoma, Wash.         | 1,616    | L      |
| Steel Engineers Co.            | Salt Lake City, Utah  | 509      | L      |
| Structural Steel & Forge Co.   | do                    | 8,300    | L      |
| Stupp Bros. Bridge & Iron Co.  | St. Louis, Mo.        | 3,740    | A      |
| Taylor & Spotswood             |                       | 180      | I      |
| Tips Engine Works              | Austin, Tex.          | 385      | A      |
| Treadwell Construction Co.     | Midland, Pa.          | 351      | L      |
| Union Steel Co.                | Los Angeles, Calif.   | 3,321    | L      |
| United States Steel Corp.      | Pittsburgh, Pa.       | 44,083   | L      |
| Valley Iron Works              | Yakima, Wash.         | 1,000    | L      |
| Vincennes Steel Corp.          | Vincennes, Ind.       | 709      | L      |
| Western Machinery Co.          | San Francisco, Calif. | 392      | I      |
| Whiting Corp.                  | Harvey, Ill.          | 225      | I      |
| Williamette Iron & Steel Corp. | Portland, Oreg.       | 340      | L      |
| Wisconsin Bridge & Iron Co.    | Milwaukee, Wis.       | 1,324    | A      |
| Worden-Allen Co.               | do                    | 263      | A      |
| Grand total                    |                       | 341,498  |        |

## Sources:

A—American Institute of Steel Construction.

I—Iron Age.

L—Letter from respective company to Department of Justice.

\* Shipments, not bookings.

\* Estimated from value on basis of \$150 per ton, which represents the average value per ton reported by the Bethlehem Steel Co.

\* For companies which are known to have conducted business in 11 Western States either through letters to Department of Justice or statement of competition with U. S. S. C. as shown in interrogatory answer of U. S. S. C. The unallocated tonnage was allocated by the proportion of 11 Western States booking for the years 1939, 1940, 1941 to total country bookings shown by the AISC. This equals 15.7% for companies which report bookings in the 11 Western States and unallocated business. The distribution of the latter bookings were made in accordance with the ratio of 11 Western States booking to total bookings shown by the company.

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*Plaintiff's Exhibit 34*

**METHOD OF COMPILING BOOKINGS OF FABRICATED STRUCTURAL STEEL  
BY COMPANIES IN THE 11 WESTERN STATES CONSTITUTING THE  
CONSOLIDATED MARKET**

**SOURCE OF DATA**

1. The table which shows the bookings of fabricated structural steel tonnage for 1946 in the 11 Western States constituting the consolidated market was obtained from three primary sources.

(a) The most important source was from the companies themselves. These companies submitted information compiled from their records in response to letters sent to them by the Department of Justice. Information received directly from the companies comprise 232,108 tons or 68% of the total. The number of companies directly submitting information is 119, of whom 90 did business in the 11 States in 1946.

(b) The second important source of information is from reports of the companies engaged in fabricated structural steel work submitted to the AISC. The total tonnage obtained from the AISC is 102,060 tons, comprising 29.98 percent of the total for the 11 Western States. Some companies who are members of AISC do not report bookings. For these companies, shipments

were used instead of bookings. The company for which shipments were substituted are indicated by a footnote in the table.

(c) The third source and least important in tonnage and in number of companies are reports to Iron Age. This magazine reports bookings of fabricated structural steel tonnage let. Only 2.1% of the tonnage shown for the 11 Western States are based on Iron Age Reports. The Iron Age figures were used only for companies which did not report to the AISC, or directly to the Department of Justice.

2. The list of companies engaged in the fabricated structural steel industry was obtained in the following way:

(a) All companies listed in the Iron Age magazine as having received an award from the period of November 1945 through March 1947 were written directly by the Department of Justice.

(b) All companies mentioned by the U. S. Steel Corporation in its answers to Interrogatory 10-11 as having successfully bid against them for fabricated structural steel work were also contacted.

(c) The companies named by the Columbia Steel Corporation in its answers to the questionnaire of the Department of Justice were also written. The total number of companies from all these sources numbered 135. Of these companies, 119 replied to the Department of Justice.

#### Adjustment for Comparable Time Period

3. In the original reports, information was not always given, for the year 1946. In some instances it was given for the 17-month period, November 1945 through March 1947; in others for a lesser period. Where the 1946 period was not given directly it was obtained by prorating the given period for 12 months.

1147 Some of the companies obtained from the AISC showed tonnage not described by location. Several methods were used to allocate this unallocated tonnage. They are as follows:

#### Allocation to States

4. For those companies which reported tonnage in the 11 western states, and also miscellaneous tonnage not distributed by states, the allocation for the 11 western states was made in accordance with the proportion that the reported tonnage in the 11 western states was of the total tonnage of the company. For companies known to have engaged in business in the 11 western states (through their own statements or from the statements for the U. S. S. C. in answer to Interrogatory 10 and 11), but which did not show any definite tonnage in the 11 western states, their

unallocated tonnage was distributed to 11 western states in accordance with the average proportion of all companies bookings in the years 1939, 1940, 1941 in the 11 western states to total bookings for these years as shown by the AISC. This ratio is 15.7%. For companies located in the 11 western states which show miscellaneous tonnage not distributed by states, it was assumed that all their business was in the 11 western states.

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*Plaintiff's Exhibit 35*

Proportion of Bookings tonnage according to source of information.

| Number of companies |  | Tons     | Percentage |
|---------------------|--|----------|------------|
| 48                  | Derived from Companies' letters to Department of Justice | 232, 108 | 68.0       |
| 26                  | Derived from American Institute of Steel Construction    | 102, 080 | 29.9       |
| 14                  | Derived from Iron Age                                    | 7, 300   | 2.1        |
| 90                  | Total  | 341, 488 | 100.0      |

Total number of companies solicited, 135; total number of companies reporting, 119; total number of companies showing bookings, 90.

1160

*Plaintiff's Exhibit 36*

## PURCHASE OF GENEVA STEEL PLANT

On May 1, 1946, U. S. Steel, in response to specific requests made from time to time by representatives of the Government, submitted a bid to the War Assets Administration for the purchase of the government-owned steel plant at Geneva, Utah. This plant was a war facility, which the Government on its own initiative had decided in 1941 to construct in order to manufacture steel plates and structural shapes for the needs of its huge shipbuilding program on the Pacific Coast. The plant was constructed and operated during the war by U. S. Steel for account of the Government, without fee or commission.

U. S. Steel offered to purchase the plant and inventories for \$47.5 million and to spend not less than \$18.6 million more for the installation of additional facilities deemed necessary for the peacetime operation of the Geneva plant, including facilities capable of producing 386,000 tons of hot rolled coils annually. The bid stated that U. S. Steel proposed to construct as a part of the facilities of Columbia Steel Company at Pittsburg, California, at an estimated cost of \$25 million, a mill having an annual capacity of 325,000 tons of cold reduced sheets and tin plate. This mill will utilize hot rolled coils from Geneva.

This bid was accepted by the War Assets Administration on May 23, 1946, and on June 17, 1946, the Attorney General of the United States gave an opinion that the sale of the Geneva plant



to U. S. Steel would not be a violation of the antitrust laws. U. S. Steel promptly took possession of the plant and it has been operated since by Geneva Steel Company, the same subsidiary that operated the plant for the Government during the war.

U. S. Steel bought the Geneva plant because of the growing importance of the Far West and its own faith in the continued industrial development of that area.

The Geneva plant, which was built primarily to produce plates and structural shapes for wartime uses, has a capacity to manufacture these two products which is believed to be in excess of any likely postwar needs for these products on the West Coast. In an endeavor to secure a direct and essential outlet over the years for plates and structural steel to be produced at Geneva and thus enable the Geneva plant to continue its operations, provide employment, and serve the Western market as a source of steel supply in the way intended by all parties in interest when this plant was purchased from the Government, U. S. Steel, through its subsidiary Columbia Steel Company, entered into a contract last December with the Consolidated Steel Corporation for the purchase, at a price of approximately \$8.3 million, of Consolidated's fabricating assets and business, subject to approval by the stockholders of Consolidated.

1161 Consolidated is a fabricator of steel, its principal fabricating operations being at Los Angeles and San Francisco. Consolidated has no steel producing facilities and does not make steel. U. S. Steel has no fabricating plants on the West Coast of the character of those owned by Consolidated. Accordingly, there is no competition of any substance between Consolidated and U. S. Steel. Nevertheless, the Department of Justice has instituted a proceeding to enjoin the proposed acquisition on the ground that it would result in a substantial suppression of competition within the condemnation of the Sherman Act.

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*U. S. Steel's operating story—1902-'16*  
[In thousands of net tons]

| Year of operation | Total ore mined | Total fluxes produced | Total coal mined | Total coke produced | Total iron produced | Ingoes and castings |                           | Finished steel shipped | Average number of employees |
|-------------------|-----------------|-----------------------|------------------|---------------------|---------------------|---------------------|---------------------------|------------------------|-----------------------------|
|                   |                 |                       |                  |                     |                     | Total production    | Percent capacity operated |                        |                             |
| 1902              | 17,991          | 1,471                 | 12,813           | 9,522               | 8,933               | 10,920              | 97.2                      | 8,913                  | 168,127                     |
| 1903              | 17,207          | 1,421                 | 12,690           | 8,656               | 8,153               | 10,275              | 81.6                      | 8,129                  | 167,709                     |
| 1904              | 11,253          | 1,560                 | 13,715           | 8,652               | 8,264               | 9,427               | 72.6                      | 7,325                  | 147,343                     |
| 1905              | 21,705          | 2,203                 | 17,226           | 12,243              | 11,263              | 13,447              | 98.2                      | 10,142                 | 193,158                     |
| 1906              | 23,128          | 2,465                 | 18,533           | 13,265              | 13,153              | 15,153              | 100.6                     | 11,264                 | 202,487                     |
| 1907              | 26,956          | 3,565                 | 24,279           | 13,545              | 12,794              | 14,944              | 100.6                     | 11,511                 | 210,180                     |
| 1908              | 15,052          | 2,448                 | 15,760           | 8,170               | 7,767               | 8,779               | 80.3                      | 6,839                  | 165,211                     |
| 1909              | 26,243          | 3,916                 | 23,780           | 13,560              | 13,013              | 14,958              | 77.6                      | 10,612                 | 195,800                     |
| 1910              | 26,275          | 5,095                 | 24,326           | 12,120              | 13,251              | 15,881              | 78.3                      | 11,777                 | 218,435                     |
| 1911              | 22,376          | 5,416                 | 24,326           | 12,120              | 14,264              | 15,881              | 70.3                      | 10,349                 | 194,868                     |
| 1912              | 26,609          | 6,650                 | 30,659           | 16,719              | 15,869              | 18,665              | 88.9                      | 13,771                 | 221,025                     |
| 1913              | 32,187          | 7,090                 | 30,787           | 16,663              | 15,770              | 18,665              | 93.1                      | 13,367                 | 228,906                     |
| 1914              | 16,079          | 5,238                 | 22,163           | 11,171              | 11,269              | 13,243              | 62.3                      | 8,955                  | 178,353                     |
| 1915              | 26,510          | 6,491                 | 26,626           | 18,902              | 15,278              | 18,243              | 100.6                     | 12,628                 | 191,126                     |
| 1916              | 37,356          | 7,965                 | 32,766           | 18,902              | 19,728              | 18,243              | 91.9                      | 17,103                 | 252,068                     |
| 1917              | 35,990          | 7,274                 | 31,497           | 17,462              | 17,531              | 23,719              | 98.2                      | 16,919                 | 268,046                     |
| 1918              | 31,723          | 8,758                 | 31,744           | 17,758              | 17,554              | 21,954              | 98.2                      | 19,570                 | 268,710                     |
| 1919              | 38,474          | 6,526                 | 38,660           | 15,464              | 15,274              | 16,264              | 77.0                      | 13,470                 | 252,106                     |
| 1920              | 36,264          | 6,909                 | 30,826           | 16,265              | 16,277              | 31,591              | 48.3                      | 13,554                 | 266,004                     |
| 1921              | 16,646          | 5,160                 | 21,626           | 9,825               | 9,720               | 13,253              | 48.3                      | 8,756                  | 191,700                     |
| 1922              | 24,322          | 7,365                 | 23,263           | 13,237              | 13,470              | 15,012              | 73.9                      | 13,127                 | 214,931                     |
| 1923              | 34,737          | 7,365                 | 33,200           | 18,656              | 18,757              | 22,770              | 98.3                      | 13,127                 | 260,786                     |
| 1924              | 37,747          | 5,626                 | 27,726           | 14,406              | 14,246              | 18,456              | 72.2                      | 12,703                 | 246,553                     |
| 1925              | 31,357          | 5,086                 | 31,476           | 16,301              | 16,575              | 21,167              | 81.7                      | 14,771                 | 240,833                     |
| 1926              | 32,778          | 5,173                 | 34,265           | 17,336              | 17,590              | 22,743              | 78.3                      | 14,310                 | 253,199                     |
| 1927              | 36,726          | 5,213                 | 27,430           | 14,507              | 15,436              | 23,763              | 98.3                      | 15,410                 | 231,640                     |
| 1928              | 36,934          | 16,352                | 28,691           | 15,903              | 17,063              | 24,618              | 64.6                      | 15,410                 | 231,702                     |
| 1929              | 34,214          | 16,352                | 31,827           | 17,345              | 18,463              | 24,483              | 98.3                      | 16,813                 | 254,465                     |
| 1930              | 27,211          | 14,265                | 23,366           | 13,113              | 14,260              | 18,782              | 87.2                      | 12,798                 | 252,932                     |
| 1931              | 18,233          | 8,595                 | 15,575           | 7,041               | 7,164               | 11,262              | 57.2                      | 6,399                  | 213,730                     |
| 1932              | 4,080           | 3,387                 | 7,047            | 2,961               | 3,498               | 5,013               | 17.7                      | 4,234                  | 163,346                     |
| 1933              | 6,347           | 4,080                 | 10,227           | 2,961               | 3,498               | 5,013               | 29.9                      | 4,234                  | 172,677                     |
| 1934              | 11,263          | 6,769                 | 11,726           | 5,362               | 6,174               | 6,769               | 31.7                      | 6,501                  | 186,981                     |

|      |        |        |        |        |        |        |      |        |         |
|------|--------|--------|--------|--------|--------|--------|------|--------|---------|
| 1905 | 12,810 | 7,842  | 15,080 | 7,228  | 8,397  | 12,467 | 40.7 | 8,086  | 104,820 |
| 1906 | 21,326 | 12,054 | 23,361 | 12,054 | 12,501 | 16,937 | 63.4 | 11,905 | 222,372 |
| 1907 | 34,089 | 17,698 | 35,356 | 14,190 | 16,171 | 20,756 | 71.9 | 14,006 | 261,263 |
| 1908 | 12,203 | 7,815  | 15,943 | 7,005  | 7,632  | 10,525 | 36.4 | 7,316  | 202,109 |
| 1909 | 24,205 | 12,842 | 25,628 | 12,092 | 12,660 | 17,428 | 61.0 | 11,707 | 223,644 |
| 1910 | 34,047 | 15,720 | 36,528 | 16,144 | 16,267 | 22,964 | 82.5 | 15,014 | 254,383 |
| 1911 | 43,316 | 19,176 | 45,075 | 16,863 | 18,267 | 26,963 | 96.8 | 20,417 | 304,246 |
| 1912 | 52,012 | 20,864 | 53,317 | 19,275 | 20,486 | 30,030 | 98.1 | 20,615 | 325,666 |
| 1913 | 51,646 | 19,479 | 52,960 | 19,029 | 20,060 | 30,540 | 97.8 | 20,146 | 340,466 |
| 1914 | 49,842 | 18,269 | 50,709 | 20,333 | 21,445 | 30,815 | 94.7 | 21,082 | 316,688 |
| 1915 | 47,648 | 18,089 | 47,922 | 18,341 | 19,048 | 26,479 | 82.0 | 18,410 | 276,274 |
| 1916 | 37,872 | 20,874 | 36,465 | 15,263 | 15,535 | 21,267 | 72.9 | 15,123 | 265,535 |

Production and shipment data are for all operating subsidiaries and are grouped in broad product classifications. The production data include all production of the materials by the operating subsidiaries and exclude all materials purchased. The item "Total Ores Mined" include iron, zinc, and manganese ores. In addition to limestone, dolomite and fluorspar, "Total Fluxes Produced" includes cement rock and other similar materials. In addition to pig iron, "Total Iron Produced" includes production of ferro-alloys. Although Tennessee Coal Iron and Railroad Co. was acquired Nov. 1, 1907, its production and shipments for the entire year are included. Prior to 1909, the full-time equivalent rather than the actual number of employees is shown.

## U. S. Steel's financial story—1902-06.

(In millions of dollars)

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| Year of operation | Products and services sold | Employment costs | Yearly taxes accrued | Products and services bought | Wear and exhaustion | Interest and other costs on debt | Income or loss | Preferred stock dividend | Common stock dividend | Reinvested in the business | Total investment | Percent income of investment |
|-------------------|----------------------------|------------------|----------------------|------------------------------|---------------------|----------------------------------|----------------|--------------------------|-----------------------|----------------------------|------------------|------------------------------|
| 1902              | 423.1                      | 120.5            | 2.4                  | 160.9                        | 27.8                | 21.3                             | 90.2           | 35.7                     | 20.2                  | 34.3                       | 1,462            | 7.62                         |
| 1903              | 398.2                      | 120.8            | 3.0                  | 164.1                        | 29.2                | 25.6                             | 55.5           | 30.4                     | 12.7                  | 12.3                       | 1,505            | 5.39                         |
| 1904              | 424.9                      | 101.0            | 3.1                  | 142.3                        | 18.2                | 25.1                             | 55.2           | 25.2                     | 3.0                   | 43.4                       | 1,505            | 4.01                         |
| 1905              | 468.2                      | 128.1            | 3.6                  | 151.1                        | 28.0                | 29.8                             | 68.6           | 25.2                     | 10.2                  | 62.7                       | 1,556            | 6.42                         |
| 1906              | 504.4                      | 147.8            | 4.4                  | 168.7                        | 35.6                | 29.4                             | 98.6           | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1907              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1908              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1909              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1910              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1911              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1912              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1913              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1914              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1915              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1916              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1917              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1918              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1919              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1920              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1921              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1922              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1923              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1924              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1925              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1926              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1927              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1928              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1929              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1930              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1931              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1932              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1933              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1934              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1935              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |
| 1936              | 504.4                      | 160.8            | 5.4                  | 169.1                        | 35.1                | 31.3                             | 104.7          | 25.2                     | 10.2                  | 62.7                       | 1,556            | 8.31                         |



|  | 1937    | 1938  | 1939  | 1940    | 1941    | 1942    | 1943    | 1944    | 1945    | 1946    |       |       |       |       |      |       |      |      |       |       |
|--|---------|-------|-------|---------|---------|---------|---------|---------|---------|---------|-------|-------|-------|-------|------|-------|------|------|-------|-------|
|  | 1,028.4 | 611.1 | 855.9 | 1,070.1 | 1,022.3 | 1,863.0 | 1,972.3 | 2,082.2 | 1,747.3 | 1,406.1 | 447.1 | 74.6  | 342.6 | 64.1  | 5.1  | 94.9  | 58.5 | 8.7  | 27.7  | 1,901 |
|  |         |       |       |         |         |         |         |         |         |         | 294.4 | 37.5  | 228.3 | 54.1  | 8.3  | 42.7  | 25.2 |      | 372.9 | 1,632 |
|  |         |       |       |         |         |         |         |         |         |         | 396.5 | 52.2  | 383.4 | 63.4  | 9.3  | 41.1  | 25.2 |      | 15.9  | 1,651 |
|  |         |       |       |         |         |         |         |         |         |         | 464.3 | 68.1  | 356.3 | 72.0  | 13.6 | 102.2 | 25.2 |      | 42.2  | 1,653 |
|  |         |       |       |         |         |         |         |         |         |         | 628.3 | 108.6 | 604.6 | 98.6  | 6.2  | 116.2 | 25.2 | 34.8 | 56.2  | 1,733 |
|  |         |       |       |         |         |         |         |         |         |         | 782.7 | 201.3 | 673.4 | 128.2 | 6.2  | 70.2  | 25.2 | 34.8 | 11.2  | 1,735 |
|  |         |       |       |         |         |         |         |         |         |         | 912.9 | 125.9 | 730.6 | 134.0 | 5.0  | 63.6  | 25.2 | 34.8 | 2.6   | 1,781 |
|  |         |       |       |         |         |         |         |         |         |         | 957.2 | 105.8 | 814.4 | 159.0 | 5.0  | 60.8  | 25.2 | 34.8 | 8.8   | 1,774 |
|  |         |       |       |         |         |         |         |         |         |         | 825.5 | 66.8  | 670.1 | 123.4 | 3.5  | 58.0  | 25.2 | 34.8 | 42.0  | 1,698 |
|  |         |       |       |         |         |         |         |         |         |         | 704.5 | 60.1  | 560.4 | 68.7  | 4.8  | 58.6  | 25.2 | 34.8 | 25.0  | 1,694 |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | 5.56  |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | .03   |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | 3.05  |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | 7.01  |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | 3.05  |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | 4.46  |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | 3.94  |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | 3.79  |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | 3.04  |
|  |         |       |       |         |         |         |         |         |         |         |       |       |       |       |      |       |      |      |       | 5.55  |

The data are in some respects necessarily approximate, and are based on the yearly earnings reported annually to stockholders without adjustment for surplus charges and credits except that the years 1942 and 1943 reflect renegotiation settlements made in the succeeding years. For example, taxes are as accrued before adjustments. Estimated additional costs arising out of war in the amount of \$25 million in the years 1941 to 1944, inclusive, have been included in products and services bought. The item "Employment Costs" includes, in addition to wages and salaries, Social Security taxes after 1935, and payments after 1940. The item "Wear and Exhaustion" includes amortization of emergency facilities and net loss on sales of plant and equipment. In addition to depletion and depreciation. Income before interest, but after all other charges, was used to determine the percent income of investment. (4 denotes deficit.)

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## Summary of 1946 financial operations

### Additions to working capital:

|   |              |
|---|--------------|
| Income.....   | \$88,622,475 |
| Add—Noncash costs in current year:                          |              |
| Wear and exhaustion of facilities.....                      | 68,739,174   |
| Other.....  | 9,139,981    |
| Proceeds from sales and salvage of plant and equipment..... | 7,194,889    |
| Miscellaneous additions.....                                | 10,082,347   |

### Total additions.....

183,778,866

### Deductions from working capital:

|  |               |
|--|---------------|
| Expended for plant and equipment.....                  | \$201,020,089 |
| War costs provided for in prior years.....             | 29,212,714    |
| Reduction in total long-term debt.....                 | 5,194,692     |
| Dividends declared on preferred and common stocks..... | 60,032,685    |

### Total deductions.....

295,460,180

### Reduction in working capital before using segregated funds.....

111,681,314

### Segregated funds used:

|  |               |
|--|---------------|
| For property additions.....              | \$110,000,000 |
| For expenditures arising out of war..... | 30,000,000    |
|  | 140,000,000   |

### Increase in working capital.....

28,318,686

### Working capital per consolidated statement of financial position:

|                        |               |
|------------------------|---------------|
| December 31, 1946..... | \$629,078,938 |
| December 31, 1945..... | 600,760,252   |

### Increase.....

28,318,686

## Consolidated statement of income

|  | 1946            | 1945            |
|--|-----------------|-----------------|
| Products and services sold.....  | \$1,490,064,326 | \$1,747,338,661 |
| Costs:   |                 |                 |
| Employment costs:  |                 |                 |
| Wages and salaries.....  | 679,353,426     | 778,391,800     |
| Social Security taxes.....   | 15,998,855      | 18,081,565      |
| Payments for pensions (details on p. 18).....  | 9,120,597       | 28,975,966      |
| Products and services bought.....  | 704,461,181     | 825,448,383     |
| Wear and exhaustion of facilities:   |                 |                 |
| Depletion and depreciation.....  | 71,400,008      | 77,140,359      |
| Amortization of emergency facilities.....  |                 | 44,215,710      |
| Loss (profit) on sales of plant and equipment.....   | 2,697,484       | 2,064,848       |
| Additional amortization due to ending of emergency period, less associated Federal income tax adjustments..... | 68,739,174      | 123,430,917     |
| War costs included herein provided for in prior years, less associated Federal income tax adjustments:         |                 | 35,584,060      |
| Additional amortization above.....   |                 | 35,584,060      |
| Strike costs.....  | 27,699,311      |                 |
| Other war costs.....   | 1,488,363       | 2,620,883       |
| Interest and other costs on long-term debt.....  | 4,777,135       | 3,300,633       |
| State, local, and miscellaneous taxes.....   | 37,070,774      | 36,825,367      |
| Estimated Federal taxes on income.....   | 32,000,000      | 30,000,000      |
| Total.....   | 1,407,441,851   | 1,689,333,005   |
| Income.....  | 89,622,475      | 58,015,656      |
| Dividends:   |                 |                 |
| On cumulative preferred stock (\$7 per share).....   | 25,219,677      | 25,219,677      |
| On common stock (\$4 per share).....   | 34,813,008      | 34,813,008      |
| Income reinvested in business:   |                 |                 |
| Addition in period.....  | 28,889,790      |                 |
| Reduction in period.....   |                 | 2,017,629       |

## Consolidated statement of financial position

|   | Dec. 31, 1946        | Déc. 31, 1945        |
|---|----------------------|----------------------|
| <b>Current assets:</b>  |                      |                      |
| Cash  | \$222,048,651        | \$231,820,174        |
| United States Government securities, at cost  | 311,319,423          | 197,637,000          |
| Receivables (including approximately \$24,000,000 in 1946 and \$35,000,000 in 1945 from United States Government), less estimated bad debts | 137,873,666          | 117,803,916          |
| Inventories (details on p. 33)  | 283,365,546          | 270,509,494          |
| <b>Total</b>  | <b>954,607,286</b>   | <b>817,780,584</b>   |
| <b>Less</b>   |                      |                      |
| <b>Current liabilities:</b>   |                      |                      |
| Accounts payable  | 185,730,403          | 147,526,167          |
| Accrued taxes   | 118,407,240          | 40,368,532           |
| Dividends payable   | 15,008,171           | 15,008,171           |
| Long-term debt due within one year  | 6,324,446            | 14,077,862           |
| <b>Total</b>  | <b>325,469,330</b>   | <b>217,000,232</b>   |
| <b>Working capital</b>  | <b>629,137,956</b>   | <b>600,780,352</b>   |
| Miscellaneous investments, less estimated losses  | 24,515,701           | 27,446,932           |
| United States Government securities set aside, at cost:   |                      |                      |
| For property additions  | 140,000,000          | 250,000,000          |
| For expenditures arising out of war   | 28,000,000           | 38,000,000           |
| Plant and equipment, less depreciation (details on p. 33)   | 826,873,347          | 702,504,137          |
| Operating parts and supplies  | 23,350,419           | 23,751,863           |
| Costs applicable to future periods  | 6,138,651            | 11,308,258           |
| Intangibles   | 1                    | 1                    |
| <b>Total assets less current liabilities</b>  | <b>1,677,957,037</b> | <b>1,673,708,443</b> |
| <b>Deduct:</b>  |                      |                      |
| Long-term debt (details on p. 34)   | 81,197,155           | 78,626,831           |
| Reserves (details on p. 33):  |                      |                      |
| For estimated additional costs arising out of war   | 27,961,425           | 57,174,139           |
| For insurance, contingencies and miscellaneous expenses   | 114,224,096          | 111,971,482          |
| <b>Excess of assets over liabilities and reserves</b>   | <b>1,454,573,781</b> | <b>1,425,983,991</b> |
| <b>Ownership evidenced by:</b>  |                      |                      |
| Preferred stock, 7% cumulative, par value \$100 (3,602,811 shares)  | 360,281,100          | 360,281,100          |
| Common stock (8,703,252 shares)   | 1,094,292,681        | 1,065,702,891        |
| Stated capital, \$75 per share  | \$652,743,900        |                      |
| Capital in excess of stated amount, less cost of treasury stock   | 28,351,643           |                      |
| Income reinvested in business (see p. 29 for addition of \$28,589,790 in 1946)  | 403,197,138          |                      |
| <b>Total</b>  | <b>1,454,573,781</b> | <b>1,425,983,991</b> |

## Partial List—Products

*Building and Construction.*—Structural shapes, plates and steel bearing piles for bridges, buildings, and similar structures. Steel sheet piling for retaining walls and coffer dams. Concrete reinforcing bars. Bridge flooring and cables. Culverts and sectional plates and corrugated or smooth sheets for culverts. Formed steel roofing and siding sheets for buildings. Hot and cold rolled strip and sheets for air conditioning ducts, furnaces and other heating equipment. Enameling sheets for porcelain enamel finish and trim. Stainless steel for architectural trim and related uses. Nails, spikes, staples and tacks. Conduit, electrical wires and cables. Elevator, crane, and shovel rope. Wire fabric for concrete and stucco reinforcement. Telephone and



telegraph wire. Wire screen and hardware cloth. Chain link property protection fence. Aerial tramways. Seamless pipe piles for foundation and construction work. Pipe for plumbing and heating. Portland cement and special cements for buildings, highways and other construction uses. Fabricated structural steel buildings, bridges, stadiums, tanks, towers, and other structures. Manufactured homes.

*Transportation.*—Rails, switches, crossings and track accessories for railroad track construction. Locomotive side frames. Stainless and high strength steels and wheels and axles for railroad and street railway cars. Structural shapes, plates, sheets and strip for freight and passenger car construction. Electrical wires for control signals and lights. Spring wire, rail bonds and other wires and cables for railroad use. Seamless pipe for locomotive and train lines. Air brake and signal pipe. Cold rolled strip and sheets for automobile bodies and parts. Carbon and alloy steel bars and special sections for automobile engines, transmissions, chassis and other parts. Stainless steel for decorative trim. Springs and spring wire for automobile seats and mechanical uses. Axles, axle housings and torque tubes. Tubes for steering columns. Alloy steel bars and seamless alloy steel tubing for aircraft frames, engines and landing gear. Aircraft control cables and stitching wire. Plates, shapes and bars for all types of marine construction. Tubular masts, poles and booms. Railing and deck piping. Power piping, fuel lines, bilge and ballast lines. Naval vessels, cargo and passenger ships, tankers, lighters and barges, floating dry docks and dredges.

*Petroleum.*—Oil country goods in the form of drill pipe, casing and tubing. Line pipe and gathering lines for long distance transportation of petroleum products. Structural shapes for oil field derricks. Plates for oil and gas storage tanks. Stainless steel for refinery vessels and equipment. Alloy steels for drilling tools. Wire rope for drilling and other oil field operations. Oil well cement. Drilling engines and machinery, feed controls, hoists, traveling and crown blocks, sucker and pull rods, slush, oil and sub-surface pumps, central pumping units for operating a number of wells from a single power source, portable pumps, swivels, packers, bits, slips, elevators, hoses, valves and other specially designed equipment used in oil and gas fields.

*Mining and Quarrying.*—Plates, shapes, bars, and sheets for mine tipples, hoists, and fan houses. Steel timbers and jacks for mine roof supports. Light rails, steel ties, and track accessories for mines and quarries. Mine cars. Plate linings and grinding balls for ball and tube mills. Wire rope and cable for hoisting.

and other mine and quarry uses. Heavy-duty electrical wires and cables for trolley wires. Pipe for pump and drain lines, processing and water supply.

*Agriculture.*—Carbon and alloy bars, shapes, plates, sheets and strip, pipe and tubing for agricultural machinery, such as harvesters, combines, plows, and other farm equipment. Water supply lines and well casing. Formed roofing and siding sheets for farm buildings. Galvanized sheets and strip for silos, grain bins, brooder houses and other farm structures. Wire bale and cotton ties. Woven wire fencing, netting, barbed wire, steel fence posts, and gates. Welded fabric for pens. Diesel engines for farm use. Agricultural basic slag, limestone, and ammonium sulphate.

*Machinery and Industrial Uses.*—Bars, shapes, plates, sheets, and strip for electrical and other machinery. Plates for boilers and pressure vessels. Special alloy steels for machine tools and related industrial equipment. Stainless steel for food processing, chemical, paper and textile equipment and machinery. Electrical wires and cables for motors and turbines. Wire rope for cranes and hoists. Welded mesh for machine guards. Welding and strapping wire. Chain link conveyor belting. Book binding and stitching wire. Mechanical tubing for machinery, tool parts and equipment. Superheater tubes, boiler tubes, condenser and heat-exchanger tubes. Still tubes and high pressure piping. Commercial forgings. Electric furnaces. Coal chemicals for plastics, solvents, synthetic rubber and other chemical industry uses.

*Appliances and Household Equipment.*—Enameling, stainless, and other steel sheets for refrigerators, stoves, kitchen cabinets, washing machines, ironers, kitchenware, bathroom equipment, household and office furniture and fixtures. Galvanized and black sheets for garbage cans, trash cans, wash tubs, pails, and other household ware. Spring wire for bed springs, mattresses and upholstered furniture. Lamp cords. Wire clothes lines. Door springs. Steel tubing for various types of metal furniture. Pipe for awning frames and yard equipment. Seamless tubing for refrigerators and appliances. Bedstead tubing.

*Containers.*—Tin, terne, and black plate for cans, caps, and closures. Sheets for shipping pails, steel barrels and drums. Slack and tight barrel hoops. Steel drums, containers, cylinders, and shipping containers.

1188

*Defendant's Exhibit 1*

## LIST OF PRINCIPAL STRUCTURAL FABRICATORS

## LARGE PLANTS

## Name of Fabricator and Location of Plant

- \*American Bridge Company—Virginia Bridge Company;
  - \*Bethlehem Steel Corporation, Bethlehem, Pa.; Pottstown, Pa.; Steelton, Pa.; Lackawanna, N. Y.; Chicago, Ill.; Rankin and Leetsdale, Pa. *Bethlehem Pacific Coast Corp.*, Alameda, South San Francisco and Los Angeles, Calif.
  - \*Fort Pitt Bridge Works, Canonsburg, Pa.
  - Harris Structural Steel Company, New Market, N. J.
- Total of 4. Three have competed successfully with the Bridge Companies in the 11 states. One has plants in the 11 states.

## MEDIUM SIZED PLANTS

- \*Belmont Iron Works, Eddystone, Pa.; Royerstown, Pa.; Philadelphia, Pa.
- \*Bethlehem Fabricators, Inc., Bethlehem, Pa.
- \*Consolidated Steel Corp., Maywood (near Los Angeles), Calif.; Orange, Tex.; Maywood, Vernon, Taft, Fresno, South San Francisco, and Berkeley, Calif.; Phoenix, Ariz.
- \*Ingalls Iron Works Company, Birmingham, Ala.; Verona, Pa.; Decatur, Ala.
- \*International Steel Company, Evansville, Ind.
- \*Jones and Laughlin Steel Corp., New Orleans, La.
- \*Judson-Pacific-Murphy Corp., Oakland, Calif.
- \*Kansas City Structural Steel Co., Kansas City, Kans.
- Lackawanna Steel Construction Co., Buffalo, N. Y.
- \*Lehigh Structural Steel Co., Allentown, Pa.
- \*R. C. Mahon Company, Detroit, Mich.
- \*Minneapolis-Moline Power Implement Co., Minneapolis, Minn.
- \*Mississippi Valley Structural Steel Co., Melrose Park and Decatur, Ill.; St. Louis, Mo.
- 1188 \*Moore Dry Dock Company, Oakland, Calif.
- \*Mosher Steel Company, Dallas, Houston, and Tyler, Tex.; Shreveport, La.
- \*Mount Vernon Bridge Company, Mount Vernon, Ohio.
- \*Nashville Bridge Company, Nashville, Tenn.; Bessemer, Ala.
- The Phoenix Bridge Company, Phoenixville, Pa.
- Pittsburgh Bridge and Iron Works, Rochester, Pa.

\*Indicates fabricators who have bid successfully against the Bridge Companies in the 11 states.

- \*Pittsburgh-Des Moines Steel Co., Pittsburgh, Pa.; Des Moines, Iowa; Agnew, Calif.
  - \*Joseph T. Ryerson & Sons, Inc., Chicago, Ill.
  - Southern Steel Works Company, Birmingham, Ala.
  - \*Stupp Brothers, Bridge & Iron Co., St. Louis, Mo.
  - \*Truscon Steel Company, Youngstown, Ohio.
  - Whitehead and Kales Company, Detroit, Mich.
  - \*Wisconsin Bridge & Iron Company, Milwaukee, Wis.
  - \*Worden-Allen Company, Milwaukee, Wis.
- Total of 27. 22 have competed successfully with the Bridge Companies in the 11 States. Five have plants in the 11 states.

#### SMALL PLANTS

- Aetna Steel Company, Jacksonville, Fla.
- Arkansas Foundry Company, Little Rock, Ark.
- \*Apex Steel Company, Los Angeles, Calif.
- \*Austin Brothers, Inc., Dallas, Tex.
- \*Austin Company, Euclid, Ohio.
- Barber & Ross Company, Washington, D. C.
- Bristol Steel & Iron Works, Inc., Bristol, Tenn.
- Buffalo Structural Steel Corp., Buffalo, N. Y.
- Builders Steel Company, Kansas City, Mo.
- The Burger Iron Company, Akron and Dayton, Ohio.
- 1190 E. Burkhardt & Sons Steel & Iron Works Co., Denver, Colo.
- Calvert Iron Works, Inc., Atlanta, Ga.
- Carolina Steel & Iron Company, Greensboro, N. C.
- \*Clinton Bridge Works, Clinton, Iowa.
- \*Converse Bridge & Steel Company, Chattanooga, Tenn.
- \*Dave Steel Company, Inc., Asheville, N. C.
- \*Decatur Iron and Steel Company, Decatur, Ala.
- Dietrich Brothers, Inc., Baltimore, Md.
- \*Duffin Iron Company, Chicago, Ill.
- Everett Pacific S. B. & D. D. Co., Everett, Wash.
- August Feije & Sons Co., Buffalo, N. Y.
- \*Gage Structural Steel Company, Chicago, Ill.
- \*Gate City Iron Works, Omaha, Nebr.
- Grossier & Schlager Co., Somerville, Mass.
- Guibert Steel Company, Pittsburgh, Pa.
- Haarmann Steel Company, Holyoke, Mass.
- \*Hansell-Elcock Company, Chicago, Ill.
- \*Herrick Iron Works, Oakland, Calif.
- F. L. Hughes & Co., Inc., Rochester, N. Y.
- \*Illinois Steel Bridge Co., Jacksonville, Ill.

\*Indicates fabricators who have bid successfully against the Bridge Companies in the 11 states.



- \**Independent Iron Works, Ltd.*, Oakland, Calif.
  - Indiana Bridge Company, Muncie, Ind.
  - \**Isaacson Iron Works*, Seattle Wash.
  - Keystone Engineering Company, Pittsburgh, Pa.
  - Kyle Steel Construction Company*, Vernon, Calif.
  - \**Lakeside Bridge and Steel Company*, Milwaukee, Wis.
  - Leach Steel Corporation, Rochester, N. Y.
  - 1191 \**Levinson Steel Company*, Pittsburgh, Pa.
  - Louisville Bridge & Iron Company, Louisville, Ky.
  - R. S. McManis Steel Construction Co., Buffalo, N. Y.
  - Maryland Steel Products Company, Baltimore, Md.
  - \**Midland Structural Steel Company*, Cicero, Ill.
  - \**Milwaukee Bridge Company*, Milwaukee, Wis.
  - \**National Iron Works*, San Diego, Calif.
  - \**North Texas Iron & Steel Company*, Fort-Worth, Tex.
  - \**Omaha Steel Works*, Omaha, Neb.
  - \**Pacific Car & Foundry Company*, Renton, Wash.
  - \**Palm Iron & Bridge Works*, Sacramento, Calif.
  - \**Pacific Iron & Steel Company*, Los Angeles, Calif.
  - Pan-American Bridge Company, New Castle, Ind.
  - \**Patterson Steel Company*, Tulsa, Okla.
  - Peden Steel Company, Raleigh, N. C.
  - Petroleum Iron Works*, Beaumont, Tex.
  - Pidgeon Thomas Iron Company, Memphis, Tenn.
  - \**Poole & McGonigle*, Portland, Oreg.
  - \**Robberson Steel Company*, Oklahoma City, Okla.
  - Rock Island Bridge & Iron Works, Rock Island, Ill.
  - \**St. Paul Foundry & Manufacturing Co.*, St. Paul, Minn.
  - \**Schmitt Steel Company*, Portland, Oreg.
  - Southern Engineering Company, Charlotte, N. C.
  - \**Starr Iron Work*, Tacoma, Wash.
  - Taylor & Gaskin, Inc., Detroit, Mich.
  - \**Tulsa Boiler & Machinery Company*, Tulsa, Okla.
  - Union Iron & Steel Company, Los Angeles, Calif.
  - 1192 \**Union Iron Works*, Spokane, Wash.
  - Utica Structural Steel Company, Utica, N. Y.
  - \**Vincennes Steel Corporation*, Vincennes, Ind.
  - Frank M. Weaver & Company, Inc., Lansdale, Pa.
- Total of 68. 34 have competed successfully with the Bridge Companies in the 11 states. 17 have plants in the 11 states.
- \*Indicates fabricators who have bid successfully against the Bridge Companies in the 11 states.
- Italics indicates fabricators located in the 11 states.*

\*Indicates fabricators who have bid successfully against the Bridge Companies in the 11 states.

## LIST OF 45 ADDITIONAL STRUCTURAL FABRICATORS LOCATED IN 11 STATES

## Name of Fabricator and Location of Plant

- \*Alamo Iron Works, Houston and Corpus Christi, Tex.
- \*Albuquerque Foundry & Machine Works, Albuquerque, N. Mex.
- \*Allison Steel Manufacturing Company, Phoenix, Ariz.
- \*Amarillo Iron Works, Amarillo, Tex.
- \*Atlas Scraper & Engine Company, Bell, Calif.
- \*Austin Bridge Company, Dallas, Tex.
- Basen Steel Company, Houston, Tex.
- \*J. B. Beaird Company, Inc., Shreveport, La.
- \*Berkeley Steel Construction Company, Berkeley, Calif.
- Bodinson Manufacturing Company, San Francisco, Calif.
- Brandt Iron Works, San Antonio, Tex.
- \*Caird Engineering Works, Helena, Mont.
- \*Central Texas Iron Works, Waco and Abilene, Tex.
- Commercial Iron Works, Houston, Tex.
- \*Darbyshire-Harvie Iron & Machine Company, El Paso, Tex.
- \*John Dollinger, Jr., Inc., Beaumont, Tex.
- \*Emsco Derrick & Equipment Company, Los Angeles, Calif.;  
Dallas and Houston, Tex.
- \*Ft. Worth Structural Steel Company, Inc., Ft. Worth, Tex.
- \*Golden Gate Iron Works, San Francisco, Calif.
- \*Hepinstall Steel Works, New Orleans, La.
- Hydraulic Supply Manufacturing Company, Seattle, Wash.
- \*International Derrick & Equipment Company, Beaumont, Tex.;  
Torrance, Calif.
- Kyle & Company, Inc., Fresno and Stockton, Calif.
- \*Lang Company, Salt Lake City, Utah.
- 1194 Lubbock Steel Works, Lubbock, Tex.
- Modem Iron Works, Ltd., Vernon, Calif.
- \*Lee C. Moore, Inc., Los Angeles, Calif.; Tulsa, Okla.
- \*Maxwell Steel Company, Ft. Worth, Tex.
- Mortenson Construction Company, San Francisco, Calif.
- \*Ogden Iron Works, Ogden, Utah.
- \*Panhandle Steel Products Company, Wichita Falls and Lubbock,  
Tex.
- Peden Iron & Steel Company, Houston, Tex.
- \*Provo Foundry & Machine Company, Provo, Utah.
- \*Puget Sound Mach. Depot, Seattle, Wash.

\*Indicates fabricators who have bid successfully against the Bridge Companies in the 11 states.

E. A. Riesner & Son Company, Inc., Houston, Tex.  
 Standard Steel Fabricating Company, Inc., Seattle, Wash.  
 \*Schrader Iron Works, Inc., San Francisco, Calif.  
 Southwestern Eng. Company, Vernon, Calif.  
 \*Steel Engineers, Inc., Salt Lake City, Utah.  
 \*Structural Steel & Forge Company, Salt Lake City, Utah.  
 \*Tips Engine Works, Austin, Tex.  
 \*Valley Iron Works, Yakima, Wash.  
 Western Iron Works, San Francisco, Calif.  
 \*Williamette Iron & Steel Company, Portland, Oreg.  
 A. Young & Son Iron Works, Portland, Oreg.  
 Total of 45. 29 have competed successfully against the Bridge Companies.

1195

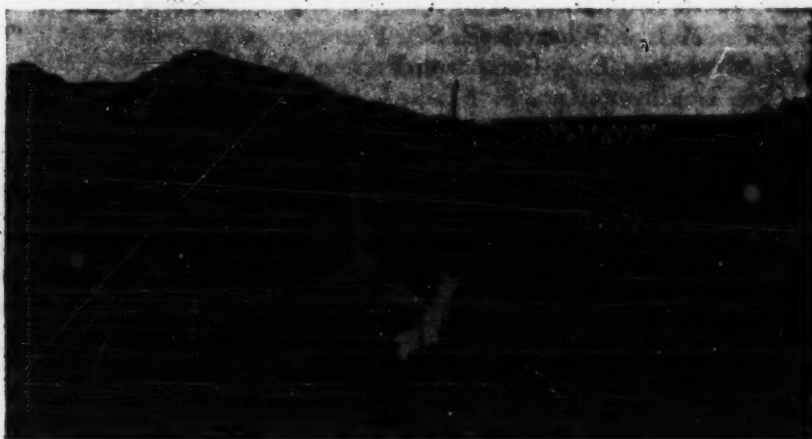
*Defendant's Exhibit 3*

LIST OF 12 ADDITIONAL FABRICATORS LOCATED OUTSIDE 11 STATES  
 WHO HAVE COMPETED WITH THE BRIDGE COMPANIES FOR BUSINESS  
 WITHIN SUCH STATES

## Name of Fabricator and Location of Plant

- \*Capitol Steel & Iron Company, Oklahoma City, Okla.
- \*Continental Bridge Company, Peotone, Ill.
- \*Denver Steel & Iron Works Company, Inc., Denver, Colo.
- \*Des Moines Steel Company, Des Moines, Iowa.
- \*Lincoln Steel Works, Inc., Lincoln, Nebr.
- \*Midwest Steel & Iron Works, Company, Denver, Colo.
- \*Missouri Valley Steel, Inc., Leavenworth, Kans.
- \*Muskogee Iron Works, Muskogee, Okla.
- \*Paxton & Vierling Iron Works, E. Omaha, Nebr.
- \*Reliance Steel Products Company, McKeesport, Pa.
- \*Superior Structural Steel Company, Inc., St. Louis, Mo.
- \*Vierling Steel Works, Inc., Chicago, Ill.

\*Indicates fabricators who have bid successfully against the Bridge Companies.



**ME-6318**—This is a photograph of the Pit River Railroad Bridge near Redding, Calif.

**Customer Owner**—Bureau of Reclamation, United States of America.

**Description**—Double Deck Bridge 3,588' long, with double-track railroad (Southern Pacific) on lower deck and 44' highway (State Highway 99)—4 lanes with two 2'6" sidewalks on upper deck. Total weight 17,881 tons. Fabricated and Erected by American Bridge Company under Contracts G-7860-G-7869.

**Date of Photograph**: Photograph taken as bridge neared completion in 1941.

**Classification** 1.

1198-1199

*Defendant's Exhibit 8*

**ME-7574**—This is a photograph of the World's Largest Crane Runway at Hunter's Point, California.

**Customer Owner**—United States Navy.

**Description**—This crane runway for the San Francisco Naval Shipyard at Hunter's Point, California, is capable of lifting gun turrets and other huge sections weighing as much as a million pounds. American Bridge Company fabricated and erected the structural steel for this massive 8,400-ton structure, including traveling cranes, crane runway bridges, and towers; 730 feet long and extending 162½ feet over the water on each end, the 200-foot high assembly will carry two traveling cranes, each having a 142-foot span, and operating either singly or in tandem.

**Date of Photograph**—Photograph taken as structures nears completion 1947.

**Classification** : 1.



1900-1901

*Defendant's Exhibit 11*



**ME-5565**—This is a photograph of the fabricated structural steel framing of the Federal Office Building, St. Charles, South Camp and Girod Streets, New Orleans, La.

**Customer**—S. N. Nielsen Company.

**Owner**—United States Government.

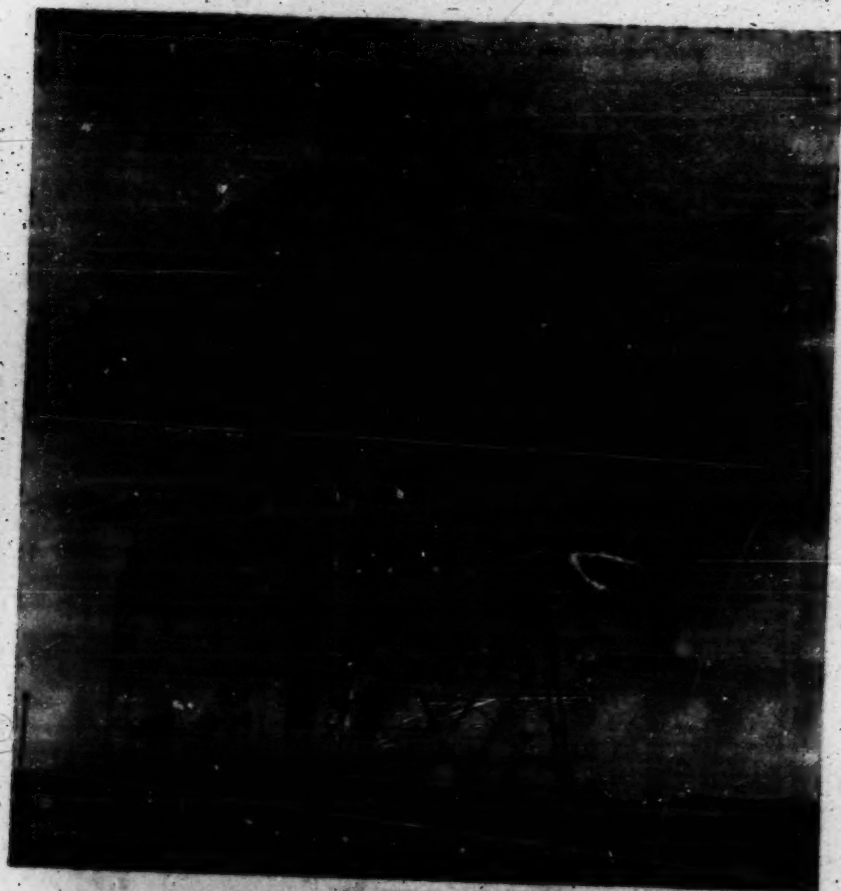
**Description**—Office Building approximately 140' by 260', basement, 10 stories and penthouse. Total weight 2,556 tons. Fabricated and erected by American Bridge Company under Contract H-2401.

**Date of Photograph**—Photograph taken during construction in 1939.

**Classification** 5.

1202-1203

*Defendant's Exhibit 12*



ME-7644—This is a photograph of a Single Circuit Strain Tower in the foreground and an electric substation and takeoff structure in background.

Customer Owner—United States of America, Bureau of Reclamation, Department of Interior.

Description—Transmission tower—single circuit strain; 230,000 volts. This tower line was fabricated and erected by American Bridge Company under Contract H-1866-71. This entire project consisted of 1,728 towers of various types. Total weight of all towers: 13,480 tons.

Date of Photograph—1939.

Classification 9.

1204

*Defendant's Exhibit 35.*

*Land grant rates—estimate of land grant rates in effect during period 1937-40 and comparison with commercial rates then in effect*

| From—         | To—                                | Approximate land-grant rate per ton | Commercial rates per ton |
|---------------|------------------------------------|-------------------------------------|--------------------------|
| Gary, Ind.    | Odair, Wash. (Grand Coulee)        | \$12.00                             | \$20.10                  |
| Ambridge, Pa. | do.                                | 14.80                               | 22.40                    |
| Gary, Ind.    | Los Angeles, Calif.                | 12.00                               | 20.40                    |
| Ambridge, Pa. | do.                                | 14.80                               | 22.40                    |
| Gary, Ind.    | Portland, Oreg.                    | 11.30                               | 20.40                    |
| Ambridge, Pa. | do.                                | 14.00                               | 22.40                    |
| Gary, Ind.    | Bremerton, Wash. (U. S. Navy Yard) | 13.50                               | 22.50                    |
| Do.           | Yakima, Wash.                      | 12.00                               | 22.00                    |
| Do.           | Delta, Calif.                      | 12.00                               | 22.00                    |
| Do.           | Redding, Calif.                    | 12.00                               | 22.00                    |
| Do.           | Seattle, Wash.                     | 12.00                               | 22.00                    |
| Do.           | Tacoma, Wash.                      | 11.80                               | 22.00                    |
| Do.           | Los Angeles, Calif.                | 12.00                               | 22.00                    |
| Do.           | San Francisco, Calif.              | 12.00                               | 22.00                    |
| Do.           | Mare Island, Calif.                | 13.00                               | 24.40                    |

1205

*Defendant's Exhibit 36*

*Commercial freight rates—comparison between rates in effect in 1937 and rates now in effect, including fabrication in transit stop-over charges*

| From—         | To—                         | 1937 F. I. T. rate per ton | Present F. I. T. rate, including F. T. tax, per ton |
|---------------|-----------------------------|----------------------------|---|
| Gary, Ind.    | Pacific coast ports         | \$20.10                    | \$25.54   |
| Ambridge, Pa. | do.                         | 24.00                      | 29.04   |
| Gary, Ind.    | Salt Lake City, Utah        | 19.00                      | 22.44   |
| Ambridge, Pa. | do.                         | 24.00                      | 28.36   |
| Gary, Ind.    | Butte, Mont.                | 20.10                      | 23.44   |
| Ambridge, Pa. | do.                         | 24.00                      | 29.04   |
| Gary, Ind.    | Pocatello, Idaho            | 20.20                      | 22.44   |
| Ambridge, Pa. | do.                         | 24.00                      | 29.06   |
| Gary, Ind.    | Phoenix and Las Vegas, Nev. | 20.10                      | 25.54   |
| Ambridge, Pa. | do.                         | 24.00                      | 29.04   |
| Gary, Ind.    | Albuquerque, N. M.          | 20.10                      | 25.13   |
| Ambridge, Pa. | do.                         | 24.00                      | 29.04   |

1206

*Defendant's Exhibit 37**Production of steel ingots and steel for castings*

[Production in thousands of net tons]

| Year | U. S. Steel | Other companies | Total U. S. |
|------|-------------|-----------------|-------------|
| 1901 | 8,917       | 5,173           | 14,090      |
| 1902 | 10,920      | 5,821           | 16,741      |
| 1903 | 10,273      | 6,004           | 16,279      |
| 1904 | 9,423       | 6,101           | 15,523      |
| 1905 | 13,447      | 8,980           | 22,427      |
| 1906 | 14,158      | 11,053          | 25,211      |
| 1907 | 14,728      | 11,426          | 26,154      |
| 1908 | 8,779       | 6,927           | 15,706      |
| 1909 | 14,988      | 11,872          | 26,860      |
| 1910 | 15,851      | 13,245          | 29,096      |
| 1911 | 14,284      | 12,733          | 27,017      |
| 1912 | 18,939      | 18,072          | 37,011      |
| 1913 | 18,685      | 16,402          | 35,087      |
| 1914 | 13,246      | 13,080          | 26,326      |
| 1915 | 18,342      | 17,067          | 35,409      |
| 1916 | 23,420      | 24,467          | 47,887      |
| 1917 | 22,719      | 27,740          | 50,459      |
| 1918 | 21,534      | 27,864          | 49,398      |
| 1919 | 19,264      | 19,585          | 38,849      |
| 1920 | 21,801      | 25,508          | 47,309      |
| 1921 | 12,282      | 9,876           | 22,158      |
| 1922 | 18,012      | 21,863          | 39,875      |
| 1923 | 22,770      | 27,567          | 50,337      |
| 1924 | 18,456      | 24,028          | 42,484      |
| 1925 | 21,167      | 20,674          | 41,841      |
| 1926 | 22,743      | 31,346          | 54,089      |
| 1927 | 20,705      | 20,622          | 41,327      |
| 1928 | 22,518      | 35,211          | 57,729      |
| 1929 | 34,493      | 38,712          | 73,205      |
| 1930 | 18,702      | 20,821          | 39,523      |
| 1931 | 11,202      | 17,767          | 28,969      |
| 1932 | 5,521       | 9,802           | 15,323      |
| 1933 | 9,013       | 17,007          | 26,020      |
| 1934 | 9,700       | 19,482          | 29,182      |
| 1935 | 12,467      | 25,717          | 38,184      |
| 1936 | 18,637      | 34,563          | 53,200      |
| 1937 | 20,756      | 35,581          | 56,337      |
| 1938 | 10,525      | 21,227          | 31,752      |
| 1939 | 17,626      | 35,173          | 52,799      |
| 1940 | 22,894      | 44,040          | 66,934      |
| 1941 | 28,963      | 53,576          | 82,539      |
| 1942 | 30,080      | 56,002          | 86,082      |
| 1943 | 30,540      | 58,297          | 88,837      |
| 1944 | 30,815      | 58,827          | 89,642      |
| 1945 | 26,479      | 53,228          | 79,707      |
| 1946 | 21,267      | 48,304          | 69,571      |

Source: Total U. S.: A. I. S. I. Annual Statistical Report 1901 to 1945. A. I. S. 7-1946. U. S. Steel subsidiary company records.

Industry production and shipments of plates, shapes, sheets, and bars and total steel products, by years 1937 to 1946, inclusive—net tons

|                      | Plates     | Structural shapes | Hot-rolled and galvanized sheets and strip | Hot-rolled bars | Total, 6 products | Other steel products | Grand total all steel products |
|----------------------|------------|-------------------|--|-----------------|-------------------|----------------------|--------------------------------|
| Production for sale: |            |                   |  |                 |                   |                      |                                |
| 1937                 | 3,373,903  | 2,798,809         | 8,076,031                                  | 4,398,937       | 18,997,698        | 19,827,470           | 38,825,168                     |
| 1938                 | 1,024,333  | 1,553,699         | 4,595,945                                  | 2,178,898       | 8,368,473         | 17,474,735           | 25,842,908                     |
| 1939                 | 2,793,798  | 2,644,815         | 7,642,321                                  | 2,555,188       | 18,597,445        | 17,474,735           | 36,072,180                     |
| 1940                 | 4,171,146  | 3,149,036         | 9,098,373                                  | 5,427,890       | 21,844,440        | 24,119,458           | 45,963,898                     |
| 1941                 | 5,948,535  | 4,588,452         | 11,398,853                                 | 7,408,401       | 29,372,181        | 21,177,988           | 50,550,169                     |
| 1942                 | 11,437,010 | 4,877,795         | 8,245,689                                  | 7,032,574       | 32,772,068        | 21,317,988           | 54,090,056                     |
| 1943                 | 12,016,253 | 3,871,939         | 8,340,276                                  | 8,917,970       | 33,146,438        | 28,281,853           | 61,428,291                     |
| Shipments:           |            |                   |  |                 |                   |                      |                                |
| 1944                 | 12,341,152 | 3,835,601         | 8,928,981                                  | 8,191,610       | 33,397,345        | 30,082,172           | 63,479,517                     |
| 1945                 | 6,596,120  | 3,545,672         | 9,240,865                                  | 7,331,229       | 26,715,917        | 28,828,445           | 55,544,362                     |
| 1946                 | 4,152,181  | 3,479,683         | 8,794,233                                  | 6,397,137       | 22,813,234        | 26,198,543           | 49,011,777                     |
| 10-year total        | 65,305,341 | 34,395,340        | 84,451,549                                 | 61,944,883      | 245,688,113       | 247,317,499          | 493,005,612                    |

Source: A19 Annual Statistical Report, 1945 (for years 1937 to 1945). A18 10—for year 1946.



U. S. Steel public shipments of plates, shapes, sheets, and bars and total steel products by years 1937 to 1946, inclusive—not tons

| Year          | Plates     | Structural shapes | Hot-rolled and galvanized sheets and hot-rolled strip | Hot-rolled bars | Total bar products | Other steel products | Grand total all steel products |
|---------------|------------|-------------------|---|-----------------|--------------------|----------------------|--------------------------------|
| 1937          | 1,321,078  | 1,151,098         | 1,328,980   | 1,008,277       | 6,017,702          | 8,079,264            | 14,087,466                     |
| 1938          | 1,408,814  | 1,274,878         | 1,440,281   | 1,037,254       | 6,884,268          | 8,498,288            | 15,382,556                     |
| 1939          | 1,603,019  | 1,478,898         | 1,641,896   | 1,168,964       | 7,717,689          | 9,989,410            | 17,707,100                     |
| 1940          | 1,694,683  | 1,578,298         | 1,734,129   | 1,268,964       | 8,354,389          | 9,890,410            | 18,244,800                     |
| 1941          | 2,077,888  | 1,848,398         | 2,068,334   | 1,582,441       | 9,783,227          | 11,083,777           | 20,866,999                     |
| 1942          | 2,782,440  | 2,428,497         | 2,777,492   | 2,221,768       | 10,144,134         | 10,431,013           | 20,575,147                     |
| 1943          | 3,328,714  | 2,877,777         | 3,328,613   | 2,643,966       | 10,670,066         | 9,477,616            | 20,147,682                     |
| 1944          | 4,083,367  | 3,417,722         | 4,083,233   | 3,768,664       | 12,364,018         | 10,788,176           | 23,152,194                     |
| 1945          | 5,323,083  | 4,500,729         | 5,323,741   | 5,278,281       | 16,354,765         | 14,186,569           | 30,541,334                     |
| 1946          | 1,683,083  | 1,070,161         | 2,011,083   | 1,731,799       | 6,436,941          | 8,746,678            | 15,183,619                     |
| 10-year total | 22,414,494 | 12,822,348        | 19,014,228  | 19,803,017      | 74,204,987         | 86,752,704           | 160,957,691                    |

Source: U. S. Steel subsidiary company records.

1209

## Defendant's Exhibit 40

U. S. Steel public shipments of plates, shapes, sheets, and bars into 11 States for 10 years 1937 to 1946

| State      | Plates    | Structural shapes | Sheets    | Bars      | Total      |
|------------|-----------|-------------------|-----------|-----------|------------|
| California | 2,875,152 | 1,013,180         | 1,038,640 | 577,972   | 5,404,944  |
| Oregon     | 1,023,957 | 269,122           | 90,484    | 88,571    | 1,492,134  |
| Washington | 553,914   | 244,046           | 142,264   | 76,130    | 1,020,357  |
| Arizona    | 13,737    | 5,193             | 18,708    | 6,700     | 47,338     |
| Idaho      | 10,678    | 6,280             | 13,033    | 7,085     | 37,134     |
| Montana    | 11,350    | 7,722             | 10,299    | 2,317     | 32,038     |
| Nevada     | 4,323     | 2,505             | 4,053     | 1,965     | 12,846     |
| New Mexico | 5,109     | 3,411             | 3,095     | 1,821     | 13,436     |
| Utah       | 23,672    | 14,739            | 26,493    | 12,633    | 79,537     |
| Louisiana  | 252,582   | 121,679           | 299,716   | 53,375    | 727,352    |
| Texas      | 714,786   | 481,230           | 608,011   | 325,247   | 2,130,244  |
| Total      | 5,501,470 | 2,182,149         | 2,243,925 | 1,153,835 | 11,081,399 |

| Year  | Plates    | Structural shapes | Sheets    | Bars      | Total      |
|-------|-----------|-------------------|-----------|-----------|------------|
| 1937  | 111,900   | 185,145           | 207,527   | 101,464   | 526,105    |
| 1938  | 89,694    | 70,947            | 136,055   | 35,935    | 329,234    |
| 1939  | 100,858   | 100,835           | 236,333   | 75,757    | 492,873    |
| 1940  | 153,290   | 171,365           | 235,877   | 57,913    | 598,645    |
| 1941  | 265,534   | 292,398           | 294,266   | 130,650   | 962,800    |
| 1942  | 1,104,135 | 441,681           | 294,269   | 141,010   | 1,921,075  |
| 1943  | 1,612,932 | 555,753           | 254,968   | 177,786   | 2,551,536  |
| 1944  | 1,348,062 | 345,926           | 361,073   | 166,896   | 2,124,549  |
| 1945  | 601,402   | 158,081           | 245,430   | 126,515   | 931,331    |
| 1946  | 234,644   | 98,216            | 164,440   | 84,622    | 581,922    |
| Total | 5,501,470 | 2,182,149         | 2,243,925 | 1,153,835 | 11,081,399 |

Source: U. S. Steel subsidiary company records.

1210

## Defendant's Exhibit 41

United States Steel subsidiaries—public shipment of rolled steel products—11 States, years 1937-46—net tons

| Year  | Plates, shapes sheets and bars | All other rolled steel products | Total all rolled steel products |
|-------|--------------------------------|---------------------------------|---------------------------------|
| 1937  | 526,105                        | 1,029,990                       | 1,556,095                       |
| 1938  | 329,234                        | 717,063                         | 1,046,297                       |
| 1939  | 492,873                        | 941,510                         | 1,434,383                       |
| 1940  | 598,645                        | 1,067,494                       | 1,666,139                       |
| 1941  | 962,800                        | 1,449,081                       | 2,411,881                       |
| 1942  | 1,921,075                      | 1,260,263                       | 3,181,338                       |
| 1943  | 2,551,536                      | 1,155,080                       | 3,706,616                       |
| 1944  | 2,124,549                      | 1,370,683                       | 3,495,232                       |
| 1945  | 931,331                        | 1,415,791                       | 2,347,122                       |
| 1946  | 581,922                        | 1,229,060                       | 1,810,982                       |
| Total | 11,081,399                     | 11,865,904                      | 22,947,303                      |

Source: U. S. Steel subsidiary company records.

Estimated steel industry distribution of plates, shapes, sheet p, and bars—total U. S. A. and 11 States, year 1937—net tons

|                  | Plates    | Shapes    | Sheets    | Bars <sup>1</sup> | Total      | Other specified products <sup>2</sup> | Total products reported by TNEC | All other <sup>3</sup> | Grand total |
|------------------|-----------|-----------|-----------|-------------------|------------|---------------------------------------|---------------------------------|------------------------|-------------|
| Total U. S. A.   | 2,085,700 | 2,656,500 | 7,489,900 | 5,620,000         | 18,735,700 | 15,903,300                            | 34,728,000                      | 5,045,000              | 39,774,000  |
| California       | 142,100   | 104,200   | 285,500   | 246,000           | 779,800    | 819,100                               | 1,598,900                       | 232,100                | 1,831,000   |
| Oregon           | 15,500    | 8,200     | 22,500    | 18,200            | 64,400     | 60,900                                | 125,300                         | 19,700                 | 154,000     |
| Washington       | 22,100    | 21,100    | 21,500    | 41,200            | 106,900    | 104,500                               | 211,400                         | 32,300                 | 253,400     |
| Arizona          | 2,900     | 4,500     | 5,000     | 11,200            | 23,600     | 15,800                                | 40,000                          | 4,100                  | 44,000      |
| Idaho            | 1,200     | 1,100     | 2,500     | 4,500             | 9,300      | 5,400                                 | 14,100                          | 2,000                  | 16,100      |
| Montana          | 4,100     | 2,200     | 3,500     | 8,600             | 18,400     | 17,000                                | 35,400                          | 5,000                  | 40,500      |
| Nebraska         | 300       | 1,400     | 700       | 900               | 2,700      | 4,300                                 | 7,000                           | 1,000                  | 8,000       |
| New Mexico       | 800       | 1,400     | 1,200     | 10,900            | 14,300     | 81,300                                | 95,600                          | 13,000                 | 108,600     |
| Utah             | 4,800     | 5,300     | 9,000     | 11,200            | 31,300     | 182,300                               | 213,600                         | 16,800                 | 230,400     |
| Louisiana        | 17,000    | 19,700    | 57,400    | 17,000            | 111,100    | 218,600                               | 329,700                         | 47,000                 | 376,700     |
| Texas            | 78,100    | 96,700    | 148,700   | 100,200           | 423,700    | 790,000                               | 1,213,700                       | 177,100                | 1,390,800   |
| Total, 11 States | 397,700   | 266,900   | 559,000   | 471,800           | 1,395,400  | 2,216,300                             | 3,611,700                       | 553,400                | 4,165,100   |

<sup>1</sup> Bars includes merchant bars, concrete bars, and wire rods.  
<sup>2</sup> Other specified products are: skelp, sheet piling, rails, cold rolled sheets and strip, pipe, tin plate, wire, and galvanized sheets.  
<sup>3</sup> Adjusted to production for sale as reported by the American Iron and Steel Institute.

Source: National Resources Planning Board—Post-War Prospects of the Iron and Steel Industry by Marion Worthine, April 1943.

## Defendant's Exhibit 43

All steel mill products—estimate of Ford, Bacon & Davis of apparent consumption in 11 States compared with National Resources Planning Board and Senate Report 159 data

[Net tons]

|                  | 7 States <sup>1</sup> |               |            | 4 States <sup>2</sup> |               |            | 11 States     |               |               |
|------------------|-----------------------|---------------|------------|-----------------------|---------------|------------|---------------|---------------|---------------|
|                  | N. R. P. B.           | Senate Report | F. B. & D. | N. R. P. B.           | Senate Report | F. B. & D. | N. R. P. B.   | Senate Report | F. B. & D.    |
| 1927             | \$ 2,425,000          | 2,425,000     | 2,425,000  | 1,000,000             | 1,000,000     | 1,000,000  | (C) 4,262,000 | 000000000000  | (C) 2,670,000 |
| 1928             | 000000000000          | 1,000,000     | 1,000,000  | 000000000000          | 000000000000  | 1,000,000  | 000000000000  | 000000000000  | 2,630,000     |
| 1929             | 000000000000          | 2,267,000     | 2,267,000  | 000000000000          | 000000000000  | 2,267,000  | 000000000000  | 000000000000  | 2,237,000     |
| 1930             | 000000000000          | 2,267,000     | 2,267,000  | 000000000000          | 000000000000  | 2,267,000  | 000000000000  | 000000000000  | 2,008,737     |
| 1931             | 000000000000          | 2,267,000     | 2,267,000  | 000000000000          | 000000000000  | 2,267,000  | 000000000000  | 000000000000  | 2,440,204     |
| 1932             | 000000000000          | 2,267,000     | 2,267,000  | 000000000000          | 000000000000  | 2,267,000  | 000000000000  | 000000000000  | 10,124,831    |
| 1933             | 000000000000          | 2,267,000     | 2,267,000  | 000000000000          | 000000000000  | 2,267,000  | 000000000000  | 000000000000  | 9,267,503     |
| 1934             | 000000000000          | 2,267,000     | 2,267,000  | 000000000000          | 000000000000  | 2,267,000  | 000000000000  | 000000000000  | 7,253,800     |
| 1935 preliminary | 000000000000          | 2,267,000     | 2,267,000  | 000000000000          | 000000000000  | 2,267,000  | 000000000000  | 000000000000  | 6,000,000     |

<sup>1</sup> 7 States: Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington.

<sup>2</sup> 4 States: Louisiana, Montana, New Mexico, and Texas.

<sup>3</sup> In 1927, of 10.

<sup>4</sup> In 1931, of 10.

<sup>5</sup> In 1932, of 10.

<sup>6</sup> Derived by dividing 1,000,000 by 0.27.

<sup>7</sup> Derived by dividing 2,267,000 by 0.27.

<sup>8</sup> No other data.

<sup>9</sup> No data.

Source: National Resources Planning Board—Future Prospects of the Iron and Steel Industry by Marion Worthing, April 1933. Senate Report 190, part 3, 79th Cong., 1st sess.—War Plants Disposal Iron and Steel Plants. F. B. & D.—Ford, Bacon & Davis.

1213

*Defendant's Exhibit 44*

*Consolidated Steel Corp. and subsidiaries—summary of purchases of rolled-steel products from U. S. steel subsidiaries and from others, 1937 to 1946*

| Year          | Total purchased by consolidated (tons) | U. S. steel subsidiaries |         | All others |         |
|---------------|--|--------------------------|---------|------------|---------|
|               |  | Tons                     | Percent | Tons       | Percent |
| 1937          | 103,286                                | 30,677                   | 29.7    | 43,000     | 42.2    |
| 1938          | 44,000                                 | 33,340                   | 75.8    | 30,910     | 47.2    |
| 1939          | 69,922                                 | 43,179                   | 61.8    | 36,063     | 38.2    |
| 1940          | 117,644                                | 51,962                   | 44.2    | 65,062     | 35.8    |
| 1941          | 163,438                                | 88,316                   | 54.0    | 75,112     | 46.0    |
| 1942          | 239,711                                | 181,492                  | 75.4    | 158,219    | 66.0    |
| 1943          | 404,180                                | 170,064                  | 42.3    | 233,406    | 57.8    |
| 1944          | 396,532                                | 130,417                  | 32.8    | 270,115    | 68.2    |
| 1945          | 228,273                                | 67,971                   | 29.9    | 167,902    | 70.1    |
| 1946          | 176,000                                | 58,046                   | 32.9    | 94,233     | 53.1    |
| Totals        | 2,036,635                              | 860,204                  | 42.7    | 1,146,431  | 56.3    |
| 1942 to 1946  | 1,396,086                              | 539,984                  | 38.7    | 819,732    | 60.3    |
| 1946          | 176,000                                | 58,046                   | 32.9    | 94,233     | 53.1    |
| Total 5 years | 1,396,386                              | 623,810                  | 44.8    | 914,555    | 65.2    |

<sup>1</sup> Includes purchases from Geneva steel plant while under Government ownership.

Source: Consolidated Steel Corporation's answer to Interrogatory No. 21.

1214

*Defendant's Exhibit 44-A*

*Consolidated Steel Corp. and subsidiaries—purchases of plates, shapes, sheets, and bars, and total steel products, by years 1937-46, inclusive—net tons*

| Year          | Plates    | Structural shapes | Hot-rolled and galvanized sheets and hot-rolled strip | Hot-rolled bars | Total 4 products | Other steel products | Total all steel products |
|---------------|-----------|-------------------|---|-----------------|------------------|----------------------|--------------------------|
| 1937          | 46,322    | 34,376            | 16,373  | 1,305           | 91,996           | 11,320               | 103,286                  |
| 1938          | 16,222    | 9,340             | 13,000  | 981             | 39,111           | 4,000                | 44,000                   |
| 1939          | 22,313    | 17,577            | 8,000   | 2,022           | 60,379           | 9,567                | 69,922                   |
| 1940          | 62,676    | 32,914            | 12,845  | 3,912           | 111,447          | 6,197                | 117,644                  |
| 1941          | 91,206    | 44,485            | 18,001  | 4,944           | 186,636          | 4,363                | 193,438                  |
| 1942          | 204,213   | 39,704            | 20,561  | 11,007          | 327,874          | 11,037               | 339,711                  |
| 1943          | 396,213   | 84,644            | 30,045  | 7,394           | 508,303          | 10,366               | 504,180                  |
| 1944          | 396,271   | 67,778            | 42,637  | 11,005          | 507,679          | 10,043               | 500,532                  |
| 1945          | 157,023   | 46,061            | 26,062  | 9,661           | 238,806          | 5,267                | 238,273                  |
| 1946          | 107,136   | 45,770            | 20,064  | 2,336           | 175,310          | 4,550                | 176,000                  |
| 10-year total | 1,296,684 | 396,738           | 318,347   | 56,300          | 1,967,919        | 78,716               | 2,036,635                |

Source: Consolidated Steel Corporation and subsidiary company records.



1215

*Defendant's Exhibit 45*

**Structural steel industry—estimated bookings and shipments for U. S. A.  
as reported by American Institute of Steel Construction**

| Year | Tonnages shipped <sup>1</sup> | Estimated bookings <sup>1</sup> | Year | Tonnages shipped <sup>1</sup> | Estimated bookings <sup>1</sup> |
|------|-------------------------------|---------------------------------|------|-------------------------------|---------------------------------|
| 1937 | 1,020,579                     | 1,628,641                       | 1941 | 2,039,965                     | 1,762,453                       |
| 1938 | 1,158,763                     | 1,256,630                       | 1942 | 1,039,795                     | 707,490                         |
| 1939 | 1,440,054                     | 1,388,049                       | 1943 | 747,340                       | 789,066                         |
| 1940 | 1,515,543                     | 1,748,144                       | 1944 | 996,801                       | 1,392,008                       |
| 1941 | 2,251,089                     | 2,296,984                       | 1945 | 1,551,607                     | 1,726,057                       |

<sup>1</sup> Consists of buildings, bridges, and other fabricated steel products reported by American Institute of Steel Construction.

<sup>2</sup> Last half of 1946 from supplemental data of American Institute of Steel Construction.

Source: Annual Report for 1946—American Institute of Steel Construction.

1216

*Defendant's Exhibit 46*

**United States Steel subsidiaries fabricated structural steel bookings—total  
U. S. A.—net tons**

| Year  | AISC type | Non-AISC type | Total     |
|-------|-----------|---------------|-----------|
| 1937  | 311,069   | 23,577        | 334,646   |
| 1938  | 221,541   | 38,860        | 260,401   |
| 1939  | 297,083   | 49,284        | 336,367   |
| 1940  | 340,113   | 55,805        | 395,918   |
| 1941  | 462,199   | 63,778        | 525,977   |
| 1942  | 509,173   | 100,001       | 609,174   |
| 1943  | 104,643   | 84,371        | 189,014   |
| 1944  | 137,609   | 19,224        | 156,833   |
| 1945  | 236,329   | 21,428        | 257,757   |
| 1946  | 306,819   | 21,216        | 328,035   |
| Total | 2,706,688 | 449,344       | 3,156,032 |

Source: U. S. Steel subsidiary company records.

## Defendant's Exhibit 47

Structural steel industry fabricated structural steel—bookings for shipment into the 11 States—type of products reported by American Institute of Steel Construction—net tons

| State      | 1937    | 1938    | 1939    | 1940    | 1941    | 1942    | Total     | Annual Averages |
|------------|---------|---------|---------|---------|---------|---------|-----------|-----------------|
| Alabama    | 4,865   | 782     | 2,826   | 12,212  | 1,432   | 12,727  | 31,646    | 4,974           |
| California | 102,274 | 51,101  | 66,446  | 120,323 | 97,106  | 116,836 | 572,366   | 96,436          |
| Illinois   | 1,142   | 2,197   | 66,449  | 120,143 | 2,390   | 116,836 | 12,303    | 2,232           |
| Louisiana  | 60,515  | 12,308  | 24,861  | 15,288  | 24,925  | 46,725  | 176,606   | 23,949          |
| Minnesota  | 6,976   | 4,804   | 6,964   | 6,224   | 4,670   | 2,815   | 32,862    | 4,477           |
| Nebraska   | 6,149   | 1,043   | 86      | 2,064   | 16,111  | 2,209   | 25,622    | 4,259           |
| New Mexico | 2,906   | 1,043   | 1,316   | 2,916   | 1,523   | 633     | 16,664    | 2,781           |
| Oregon     | 4,782   | 2,601   | 2,476   | 6,942   | 19,019  | 6,166   | 47,866    | 7,961           |
| Texas      | 31,219  | 28,922  | 46,549  | 29,261  | 122,977 | 84,670  | 396,696   | 61,450          |
| Utah       | 2,032   | 1,470   | 2,129   | 19,240  | 22,969  | 64,532  | 116,479   | 19,247          |
| Washington | 27,445  | 10,209  | 20,654  | 33,941  | 61,029  | 84,546  | 256,274   | 42,712          |
| Total      | 246,337 | 182,490 | 187,296 | 305,744 | 348,547 | 395,262 | 1,665,498 | 277,617         |

<sup>1</sup> Consists of buildings, bridges, and other fabricated steel products reported by American Institute of Steel Construction.

Source: American Institute of Steel Construction.

## Defendant's Exhibit 48

1918

U. S. Steel subsidiaries fabricated structural steel—bookings for shipment into the 11 States—type of products reported by American Institute of Steel Construction—net tons

| States     | 1937   | 1938   | 1939   | 1940   | 1941   | 1942   | 1943   | 1944   | 1945   | 1946   | Total   | Annual average |
|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|----------------|
| Arizona    | 2,707  | 19,846 | 711    | 452    | 40     | 6,844  | 21     | 1,101  | 9,993  | 1,101  | 11,005  | 1,101          |
| California | 6,203  | 3,302  | 3,302  | 29,254 | 1,790  | 1,133  | 22,003 | 23,940 | 23,940 | 23,940 | 131,982 | 13,198         |
| Idaho      | 1,023  | 3,951  | 3,077  | 1,447  | 2,000  | 1,790  | 1,896  | 3,403  | 3,403  | 3,403  | 22,672  | 3,267          |
| Louisiana  | 1,023  | 3,951  | 3,077  | 1,447  | 2,000  | 1,790  | 1,896  | 3,403  | 3,403  | 3,403  | 22,672  | 3,267          |
| Montana    | 1,023  | 3,951  | 3,077  | 1,447  | 2,000  | 1,790  | 1,896  | 3,403  | 3,403  | 3,403  | 22,672  | 3,267          |
| Nevada     | 1,023  | 3,951  | 3,077  | 1,447  | 2,000  | 1,790  | 1,896  | 3,403  | 3,403  | 3,403  | 22,672  | 3,267          |
| New Mexico | 1,023  | 3,951  | 3,077  | 1,447  | 2,000  | 1,790  | 1,896  | 3,403  | 3,403  | 3,403  | 22,672  | 3,267          |
| Oregon     | 1,023  | 3,951  | 3,077  | 1,447  | 2,000  | 1,790  | 1,896  | 3,403  | 3,403  | 3,403  | 22,672  | 3,267          |
| Texas      | 1,023  | 3,951  | 3,077  | 1,447  | 2,000  | 1,790  | 1,896  | 3,403  | 3,403  | 3,403  | 22,672  | 3,267          |
| Utah       | 1,023  | 3,951  | 3,077  | 1,447  | 2,000  | 1,790  | 1,896  | 3,403  | 3,403  | 3,403  | 22,672  | 3,267          |
| Washington | 1,023  | 3,951  | 3,077  | 1,447  | 2,000  | 1,790  | 1,896  | 3,403  | 3,403  | 3,403  | 22,672  | 3,267          |
| Total      | 17,305 | 38,276 | 23,839 | 32,644 | 31,977 | 99,941 | 12,033 | 28,964 | 18,639 | 44,063 | 367,734 | 36,773         |

1 Consists of buildings, bridges, and other fabricated steel products.

Source: U. S. Steel subsidiary company records.

Consolidated Steel Corp. and subsidiaries fabricated structural steel—bookings for shipment into the 11 States—type of products reported by American Institute of Steel Construction—net tons

| State      | 1937  | 1938  | 1939   | 1940   | 1941   | 1942  | 1943  | 1944  | 1945   | 8 months 1946 | Total   | Annual average |
|------------|-------|-------|--------|--------|--------|-------|-------|-------|--------|---------------|---------|----------------|
| Arizona    |       |       |        |        |        |       |       |       |        |               | 1,394   | 136            |
| California | 318   | 3     | 20     | 20     |        | 20    | 167   | 85    | 36     | 722           | 106,670 | 10,566         |
| Idaho      | 8,125 | 5,126 | 14,467 | 22,054 | 12,228 | 4,173 | 2,102 | 2,850 | 17,754 | 19,008        | 30      | 4              |
| Louisiana  |       |       |        |        |        |       |       |       |        | 30            | 6,270   | 628            |
| Michigan   |       |       |        | 306    | 1,164  | 351   | 536   | 217   | 1,402  | 2,260         | 100     | 10             |
| Nevada     |       |       | 309    |        |        |       |       |       |        | 336           | 1,605   | 160            |
| New Mexico | 25    |       | 139    | 12     | 612    | 20    | 672   |       |        | 97            | 330     | 34             |
| Oregon     | 10    | 29    |        | 20     | 41     |       |       |       | 3      |               | 485     | 43             |
| Texas      |       |       |        | 271    | 48     |       | 106   |       |        |               | 20,156  | 2,016          |
| Utah       |       |       |        | 3,066  | 2,100  | 3,265 | 1,046 | 1,000 | 5,424  | 3,721         | 11      | 46             |
| Washington |       |       |        | 312    | 102    |       |       |       |        | 440           | 6,420   | 642            |
| Total      | 1,700 | 1,722 | 65     | 425    | 553    | 7,969 | 4,604 | 50    | 1,046  | 27,362        | 146,270 | 14,627         |

<sup>1</sup> Consists of buildings, bridges, and other fabricated steel products.

Source: Consolidated Steel Corp. and subsidiary company records, including records of Western Pipe & Steel Co. from Jan. 1, 1940 (records not available prior to this date) to Dec. 16, 1945, when its assets were acquired by Consolidated Steel Corp.

## 1220

**Defendant's Exhibit 50**

U. S. Steel and Consolidated compared with industry fabricated structural steel—bookings for shipment into the 11 States—type of products reported by American Institute of Steel Construction—net tons

| State             | 1937    | 1938   | 1939   | 1940    | 1941    | 1942    | Total    | 1943  | 1944   | 1945   | 1946 <sup>1</sup> | Total<br>10 years |
|-------------------|---------|--------|--------|---------|---------|---------|----------|-------|--------|--------|-------------------|-------------------|
| Arizona           |         |        |        |         |         |         |          |       |        |        |                   |                   |
| AISC              | 4,965   | 782    | 2,928  | 13,212  | 1,422   | 12,727  | \$95,846 |       |        |        |                   |                   |
| USS               | 2,707   | 711    | 462    | 462     |         | 40      | 3,940    | 6,944 | 21     |        | 1,101             | 11,906            |
| Cons.             | 318     | 3      | 20     | 30      |         | 30      |          | 140   | 85     | 36     | 722               | 1,364             |
| California        |         |        |        |         |         |         |          |       |        |        |                   |                   |
| AISC              | 102,274 | 51,101 | 66,636 | 139,332 | 97,109  | 116,856 | 573,328  |       |        |        |                   |                   |
| USS               | 6,280   | 14,848 | 3,362  | 28,624  | -14,672 | 1,794   | 64,313   | 1,133 | 22,603 | 9,803  | 23,940            | 131,982           |
| Cons.             | 8,128   | 3,126  | 14,497 | 22,804  | 12,228  | 4,182   | 66,965   | 2,102 | 2,850  | 17,754 | 19,008            | 108,679           |
| Idaho             |         |        |        |         |         |         |          |       |        |        |                   |                   |
| AISC              | 1,142   | 3,197  | 348    | 143     | 2,880   | 3,581   | 13,392   | 90    | 205    | 119    | 482               | 4,576             |
| USS               | 623     | 733    |        | 136     | 822     | 1,009   | 3,671    |       |        | 39     |                   |                   |
| Cons.             |         |        |        |         |         |         |          |       |        |        |                   |                   |
| Louisiana         |         |        |        |         |         |         |          |       |        |        |                   |                   |
| AISC <sup>2</sup> | 60,515  | 13,303 | 24,841 | 15,269  | 24,992  | 40,735  | 170,685  |       |        |        |                   |                   |
| USS               | 1,245   | 3,981  | 3,077  | 1,447   | 2,900   | 12,739  | 28,369   | 1,700 | 1,886  | 318    | 3,803             | 32,872            |
| Cons.             |         |        |        | 306     | 1,194   | 331     | 1,841    | 526   |        | 1,902  | 2,260             | 6,276             |
| Montana           |         |        |        |         |         |         |          |       |        |        |                   |                   |
| AISC              | 5,976   | 4,864  | 6,964  | 6,334   | 5,879   | 2,815   | 32,932   |       | 103    | 189    | 1,809             | 5,872             |
| USS               | 1,023   | 468    | 438    | 671     | 532     | 69      | 3,401    |       |        |        |                   |                   |
| Cons.             |         |        |        |         |         |         |          |       |        |        |                   |                   |
| Nevada            |         |        |        |         |         |         |          |       |        |        |                   |                   |
| AISC              | 149     | 1,043  | 86     | 3,934   | 16,111  | 4,209   | 25,532   |       |        |        | 189               | 193               |
| USS               |         | 99     |        |         | 14,790  | 897     | 15,776   |       |        |        |                   |                   |
| Cons.             | 25      |        | 309    | 12      | 512     | 39      | 697      | 672   |        |        | 336               | 1,576             |
| New Mexico        |         |        |        |         |         |         |          |       |        |        |                   |                   |
| AISC              | 2,908   | 4,918  | 1,316  | 4,918   | 1,903   | 833     | 16,664   |       |        |        |                   |                   |
| USS               | 389     | 1,578  | 364    | 222     | 156     |         | 2,711    | 125   | 782    | 115    | 1,334             | 5,067             |
| Cons.             | 10      | 29     | 139    | 20      | 41      |         | 239      |       |        |        | 97                | 339               |
| Oregon            |         |        |        |         |         |         |          |       |        |        |                   |                   |
| AISC              | 4,792   | 2,601  | 2,476  | 9,942   | 16,919  | 5,156   | 47,888   |       |        |        |                   |                   |
| USS               | 327     | 167    |        |         | 3,304   | 112     | 3,910    | 232   | 1,035  | 72     | 32                | 425               |
| Cons.             |         |        |        | 271     | 48      |         | 319      | 106   |        |        |                   |                   |
| Texas             |         |        |        |         |         |         |          |       |        |        |                   |                   |
| AISC              | 33,219  | 39,922 | 48,940 | 68,267  | 102,677 | 94,070  | 368,698  |       |        |        |                   |                   |
| USS               | 3,266   | 8,833  | 3,063  | 10,186  | 2,081   | 3,266   | 34,729   | 85    | 419    | 5,771  | 8,627             | 49,431            |
| Cons.             |         |        |        | 3,986   | 2,100   | 3,263   | 8,993    | 1,048 | 1,000  | 5,424  | 3,721             | 20,151            |



[illegible]

Consists of buildings, bridges, and other fabricated steel products reported by American Institute of Steel Construction. 1946 Consolidated tons are for 8 months of 1946

Sources: American Institute of Steel Construction, U. S. Steel subsidiary company records, Consolidated Steel Corp. and subsidiary company records, including records of Western Pipe & Steel Co. from Jan. 1, 1940 (records not available prior to this date), to Dec. 15, 1943, when its assets were acquired by Consolidated Steel Corp.

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## Defendant's Exhibit 51

U. S. Steel subsidiaries fabricated structural steel bookings of product types not included in American Institute of Steel Construction reports—net tons—11 States

| State                 | *1937 | 1938   | 1939  | 1940   | 1941   | 1942   | 1943  | 1944  | 1945  | 1946  | Total<br>1937-46 |
|-----------------------|-------|--------|-------|--------|--------|--------|-------|-------|-------|-------|------------------|
| Arizona.....          | 80    | 0      | 0     | 0      | 0      | 0      | 0     | 0     | 0     | 0     | 80               |
| California.....       | 109   | 0      | 0     | 8      | 1,661  | 8,839  | 51    | 4,607 | 431   | 0     | 15,707           |
| Idaho.....            | 0     | 0      | 0     | 0      | 0      | 0      | 0     | 0     | 0     | 0     | 0                |
| Louisiana.....        | 0     | 70     | 14    | 9,756  | 0      | 23     | 0     | 0     | 0     | 0     | 9,863            |
| Montana.....          | 0     | 0      | 0     | 0      | 0      | 0      | 0     | 215   | 0     | 0     | 222              |
| Nevada.....           | 0     | 147    | 50    | 0      | 167    | 0      | 0     | 0     | 0     | 0     | 364              |
| New Mexico.....       | 0     | 0      | 12    | 101    | 0      | 0      | 0     | 0     | 0     | 0     | 113              |
| Oregon.....           | 0     | 0      | 0     | 0      | 1,031  | 490    | 310   | 0     | 744   | 46    | 1,877            |
| Texas.....            | 21    | 0      | 313   | 12     | 0      | 0      | 0     | 10    | 0     | 1,818 | 2,918            |
| Utah.....             | 0     | 0      | 0     | 0      | 176    | 0      | 0     | 0     | 0     | 389   | 565              |
| Washington.....       | 4,671 | 13,969 | 3,910 | 7,243  | 23,769 | 19,660 | 6,130 | 266   | 133   | 371   | 80,162           |
| Total, 11 States..... | 4,881 | 14,216 | 4,307 | 17,137 | 26,804 | 29,032 | 6,491 | 5,068 | 1,398 | 2,624 | 111,871          |

Source: U. S. Steel subsidiary company records.

**Consolidated Steel Corp. and subsidiaries fabricated structural steel bookings of product types not included in American Institute of Steel Construction reports—net tons—11 States**

| State                        | 1937     | 1938       | 1939         | 1940         | 1941         | 1942         | 1943       | 1944         | 1945         | 8 months<br>1946 | Total<br>1937-46* |
|------------------------------|----------|------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|------------------|-------------------|
| Arizona.....                 | 0        | 4          | 0            | 0            | 11           | 0            | 0          | 0            | 0            | 0                | 15                |
| California.....              | 2        | 337        | 1,068        | 2,050        | 2,801        | 487          | 633        | 1,115        | 1,139        | 1,145            | 10,734            |
| Idaho.....                   | 0        | 0          | 0            | 15           | 0            | 6            | 0          | 0            | 0            | 0                | 24                |
| Louisiana.....               | 0        | 0          | 0            | 0            | 1,620        | 0            | 0          | 0            | 0            | 0                | 1,620             |
| Montana.....                 | 0        | 0          | 0            | 0            | 0            | 0            | 0          | 0            | 0            | 0                | 0                 |
| Nevada.....                  | 0        | 0          | 137          | 0            | 0            | 0            | 0          | 0            | 0            | 0                | 137               |
| New Mexico.....              | 0        | 0          | 0            | 0            | 0            | 0            | 0          | 0            | 0            | 0                | 0                 |
| Oregon.....                  | 0        | 0          | 0            | 0            | 0            | 216          | 0          | 40           | 0            | 0                | 256               |
| Texas.....                   | 0        | 0          | 0            | 5            | 0            | 28           | 0          | 0            | 103          | 74               | 210               |
| Utah.....                    | 0        | 0          | 0            | 15           | 0            | 0            | 0          | 0            | 0            | 0                | 15                |
| Washington.....              | 0        | 0          | 0            | 0            | 0            | 592          | 0          | 0            | 0            | 0                | 592               |
| <b>Total, 11 States.....</b> | <b>3</b> | <b>341</b> | <b>1,225</b> | <b>2,088</b> | <b>4,492</b> | <b>1,329</b> | <b>633</b> | <b>1,135</b> | <b>1,349</b> | <b>1,219</b>     | <b>13,727</b>     |

Source: Consolidated Steel Corp. and subsidiary company records, including records of Western Pipe & Steel Co., from Jan. 1, 1940 (records not available prior to this date) to Dec. 15, 1945, when its assets were acquired by Consolidated Steel Corp.

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U. S. Steel subsidiaries fabricated structural steel—bids and awards—11 States, by job classification, 10 years 1937 to 1946

Defendant's Exhibit 53

| Product class  | Arizona |        | California |         | Idaho   |        | Louisiana |         | Montana |        | Nevada  |        |
|--|---------|--------|------------|---------|---------|--------|-----------|---------|---------|--------|---------|--------|
|  | Num-ber | Tons   | Num-ber    | Tons    | Num-ber | Tons   | Num-ber   | Tons    | Num-ber | Tons   | Num-ber | Tons   |
| 1 Railway bridges and heavy duty trackage:<br>Bids   | 9       | 12,806 | 48         | 55,125  | 9       | 864    | 5         | 2,023   | 20      | 2,746  |         |        |
| Awards   | 6       | 7,412  | 35         | 42,940  | 6       | 726    | 3         | 1,873   | 13      | 2,080  |         |        |
| 2 Light-weight highway bridges:<br>Bids  | 13      | 904    | 51         | 1,831   | 34      | 1,888  | 3         | 217     | 55      | 2,822  | 3       | 257    |
| Awards   |         |        | 6          | 442     | 14      | 1,074  | 1         | 45      | 17      | 1,190  | 1       | 88     |
| 3 Heavy highway bridges:<br>Bids   |         |        | 3          | 42,886  | 9       | 2,071  | 12        | 47,353  | 22      | 9,400  |         |        |
| Awards   | 5       | 1,253  | 12         | 15,266  | 3       | 636    |           |         | 4       | 1,017  |         |        |
| 4 Buildings (except tier and powerhouse buildings):<br>Bids                                    | 10      | 14,288 | 110        | 128,180 | 26      | 9,940  | 92        | 40,191  | 12      | 4,713  | 17      | 20,064 |
| Awards   | 2       | 2,252  | 30         | 46,788  | 6       | 1,010  | 47        | 15,660  | 1       | 236    | 6       | 11,510 |
| 5 Tier buildings:<br>Bids  | 1       | 941    | 11         | 17,802  |         |        | 6         | 14,263  |         |        |         |        |
| Awards   |         |        | 4          | 4,244   |         |        | 3         | 3,131   |         |        |         |        |
| 6 Buildings for powerhouses:<br>Bids   | 5       | 383    | 8          | 1,780   | 2       | 75     | 9         | 2,011   | 3       | 615    |         |        |
| Awards   |         |        | 6          | 928     | 1       | 69     | 3         | 69      | 1       | 238    |         |        |
| 7 Gates, etc., for irrigation and hydraulic power projects:<br>Bids                            | 12      | 5,080  | 53         | 12,272  | 25      | 1,319  | 4         | 2,375   | 6       | 1,883  | 1       | 67     |
| Awards   | 3       | 2,576  | 24         | 6,366   | 8       | 680    |           |         | 1       | 460    |         |        |
| 8 Specialties:<br>Bids   | 1       | 148    | 49         | 10,297  |         |        | 27        | 26,373  | 3       | 348    | 4       | 141    |
| Awards   |         |        | 34         | 7,438   |         |        | 5         | 8,818   | 1       | 11     | 3       | 119    |
| 9 Towers and electric substations:<br>Bids   |         |        | 20         | 26,967  | 6       | 169    | 8         | 554     | 2       | 22     | 13      | 2,433  |
| Awards   | 6       | 468    | 3          | 134     |         |        | 6         | 174     | 1       | 7      | 4       | 264    |
| 10 Miscellaneous steel work:<br>Bids   |         |        | 47         | 24,118  |         |        | 48        | 20,888  | 12      | 188    |         |        |
| Awards   | 6       | 776    | 16         | 6,349   |         |        | 20        | 8,852   | 6       | 87     |         |        |
| 11 Additional fabricated structural products of Consolidated:<br>Bids                          |         |        |            |         |         |        |           |         |         |        |         |        |
| Awards   |         |        |            |         |         |        |           |         |         |        |         |        |
| 12 Miscellaneous fabricated materials for use in fabricated structural steel products:<br>Bids | 3       | 110    | 28         | 12,546  | 10      | 280    | 18        | 980     | 18      | 2,610  | 5       | 86     |
| Awards   | 2       | 60     | 13         | 5,640   | 4       | 107    | 8         | 144     | 11      | 462    | 1       | 48     |
| Total bids   | 72      | 37,888 | 441        | 348,235 | 130     | 17,046 | 231       | 167,556 | 163     | 25,814 | 43      | 25,088 |
| Total awards   | 14      | 11,966 | 151        | 147,469 | 43      | 4,578  | 92        | 42,725  | 25      | 3,794  | 15      | 16,146 |

| Product class  | New Mexico |        | Oregon |        | Texas  |         | Utah   |         | Washington |         | Total  |           |
|--|------------|--------|--------|--------|--------|---------|--------|---------|------------|---------|--------|-----------|
|  | Number     | Tons   | Number | Tons   | Number | Tons    | Number | Tons    | Number     | Tons    | Number | Tons      |
| 1 Railway bridges and heavy duty trusses:<br>Bids  | 5          | 1,307  | 10     | 880    | 32     | 11,902  | 19     | 1,848   | 24         | 8,085   | 178    | 98,951    |
| Awards   | 5          | 4,307  | 3      | 310    | 16     | 4,380   | 7      | 1,228   | 17         | 7,486   | 108    | 72,685    |
| 2 Light-weight highway bridges:<br>Bids  | 42         | 3,074  | 11     | 796    | 62     | 5,871   | 40     | 1,080   | 37         | 2,704   | 321    | 25,994    |
| Awards   | 42         | 749    | 98     | 68     | 12     | 1,386   | 20     | 572     | 12         | 855     | 91     | 6,794     |
| 3 Heavy highway bridges:<br>Bids   | 15         | 5,557  | 19     | 7,965  | 110    | 52,028  | 2      | 445     | 39         | 36,060  | 252    | 208,144   |
| Awards   | 4          | 1,737  | 2      | 427    | 29     | 20,324  | 1      | 368     | 6          | 2,267   | 48     | 45,562    |
| 4 Buildings (except tier and powerhouse buildings):<br>Bids                                    | 23         | 7,488  | 31     | 17,140 | 189    | 98,708  | 37     | 73,533  | 76         | 53,265  | 608    | 466,186   |
| Awards   | 3          | 422    | 15     | 5,852  | 17     | 7,044   | 16     | 57,965  | 26         | 18,626  | 106    | 173,873   |
| 5 Tier buildings:<br>Bids  |            |        |        |        | 12     | 12,440  | 1      | 577     |            |         | 32     | 47,089    |
| Awards   |            |        |        |        | 22     | 6,037   | 3      | 4,789   | 3          | 4,181   | 6      | 8,475     |
| 6 Buildings for powerhouse:<br>Bids  | 1          | 140    | 1      | 577    | 3      | 1,175   | 2      | 2,004   | 1          | 844     | 14     | 17,297    |
| Awards   |            |        |        |        | 3      | 1,175   | 2      | 2,004   | 1          | 844     | 14     | 17,297    |
| 7 Gates, etc., for irrigation and hydraulic power projects:<br>Bids                            |            |        |        |        | 25     | 7,480   | 1      | 20      | 42         | 31,028  | 177    | 95,282    |
| Awards   |            |        |        |        | 4      | 186     |        |         | 11         | 18,246  | 51     | 38,128    |
| 8 Specialties:<br>Bids   | 1          | 15     | 2      | 200    | 16     | 1,276   | 3      | 5,400   | 42         | 1,554   | 121    | 58,078    |
| Awards   |            |        |        |        | 4      | 1,258   | 2      | 5,205   | 8          | 1,685   | 16     | 21,066    |
| 9 Towers and electric substations:<br>Bids   | 6          | 179    | 16     | 6,265  | 13     | 4,140   | 4      | 575     | 41         | 50,468  | 125    | 114,685   |
| Awards   | 3          | 113    | 5      | 1,191  | 53     | 3,446   | 3      | 565     | 25         | 54,163  | 49     | 37,037    |
| 10 Miscellaneous steel work:<br>Bids   | 9          | 690    | 9      | 885    | 76     | 32,490  | 40     | 15,480  | 44         | 52,745  | 369    | 128,792   |
| Awards   | 2          | 269    | 4      | 311    | 29     | 16,020  | 24     | 7,028   | 14         | 28,486  | 119    | 67,222    |
| 11 Additional fabricated structural products of Consolidated:<br>Bids                          |            |        |        |        |        |         |        |         |            |         |        |           |
| Awards   |            |        |        |        |        |         |        |         |            |         |        |           |
| 12 Miscellaneous fabricated materials for use in fabricated structural steel products:<br>Bids | 5          | 112    | 18     | 4,344  | 42     | 1,268   | 24     | 949     | 41         | 8,085   | 312    | 26,265    |
| Awards   | 3          | 1,030  | 26     | 660    | 25     | 4,060   | 9      | 83      | 22         | 4,127   | 111    | 15,494    |
| Total bids   | 108        | 16,265 | 126    | 47,781 | 570    | 224,500 | 174    | 100,538 | 362        | 254,453 | 2,460  | 1,273,152 |
| Total awards   | 27         | 5,180  | 41     | 7,178  | 143    | 52,549  | 64     | 78,461  | 143        | 129,457 | 859    | 498,608   |

Source: C. S. Steel subsidiary company records.



1924  
 Defendant's Exhibit 54  
 United States Steel subsidiaries fabricated structural steel—bids and awards in 11 States, by job classification and by years

| Prod-<br>uct<br>class |   | 1887                   |           | 1908                   |         | 1909                   |         | 1910                   |         | 1911                   |         |
|-----------------------|---|------------------------|-----------|------------------------|---------|------------------------|---------|------------------------|---------|------------------------|---------|
|                       |   | Num-<br>ber of<br>jobs | Tons      | Num-<br>ber of<br>jobs | Tons    | Num-<br>ber of<br>jobs | Tons    | Num-<br>ber of<br>jobs | Tons    | Num-<br>ber of<br>jobs | Tons    |
| 1                     | Railway bridges and heavy duty trusses:<br>Bids.....  | 16                     | 5,195     | 15                     | 14,104  | 24                     | 15,997  | 19                     | 25,251  | 29                     | 7,979   |
|                       | Awards.....   | 8                      | 2,351     | 9                      | 11,068  | 15                     | 4,977   | 15                     | 24,251  | 24                     | 7,557   |
| 2                     | Lightweight highway bridges:<br>Bids.....   | 29                     | 4,251     | 71                     | 5,945   | 90                     | 4,129   | 52                     | 3,901   | 95                     | 1,714   |
|                       | Awards.....   | 17                     | 1,070     | 21                     | 1,841   | 15                     | 555     | 6                      | 559     | 11                     | 543     |
| 3                     | Heavy highway bridges:<br>Bids.....   | 49                     | 48,473    | 55                     | 44,154  | 98                     | 28,277  | 45                     | 25,767  | 15                     | 7,498   |
|                       | Awards.....   | 10                     | 2,113     | 14                     | 10,845  | 11                     | 3,549   | 5                      | 4,781   | 3                      | 947     |
| 4                     | Buildings (except tier and powerhouse buildings):<br>Bids.....  | 60                     | 15,924    | 70                     | 25,095  | 55                     | 12,104  | 53                     | 49,573  | 67                     | 114,498 |
|                       | Awards.....   | 11                     | 4,214     | 16                     | 5,762   | 8                      | 1,445   | 17                     | 7,351   | 25                     | 21,946  |
| 5                     | The buildings:<br>Bids.....   | 7                      | 29,12,368 | 5                      | 7,713   | 6                      | 9,403   | 2                      | 2,927   | 1                      | 1,083   |
|                       | Awards.....   |                        |           | 2                      | 2,447   |                        |         | 1                      | 1,355   |                        |         |
| 6                     | Buildings for powerhouses:<br>Bids.....   | 12                     | 1,912     | 3                      | 964     | 3                      | 1,229   | 5                      | 683     | 11                     | 4,024   |
|                       | Awards.....   | 1                      | 449       | 1                      | 434     | 1                      | 546     |                        |         | 3                      | 793     |
| 7                     | Gases, etc., for irrigation and hydraulic power projects:<br>Bids.....                                | 34                     | 9,719     | 25                     | 15,187  | 19                     | 12,014  | 21                     | 9,149   | 18                     | 5,293   |
|                       | Awards.....   |                        | 2,498     |                        |         | 6                      | 2,381   | 7                      | 1,038   | 9                      | 2,145   |
| 8                     | Specialties:<br>Bids.....   | 13                     | 1,793     | 14                     | 15,227  | 10                     | 989     | 9                      | 11,028  | 9                      | 2,742   |
|                       | Awards.....   | 8                      | 445       | 1                      | 81      | 2                      | 14      | 2                      | 9,745   | 5                      | 1,091   |
| 9                     | Towers and electric substations:<br>Bids.....   | 10                     | 5,994     | 14                     | 14,294  | 19                     | 22,498  | 20                     | 16,398  | 24                     | 24,445  |
|                       | Awards.....   | 2                      | 4,021     | 6                      | 14,316  | 7                      | 4,395   | 11                     | 7,445   | 7                      | 24,145  |
| 10                    | Miscellaneous steel work:<br>Bids.....  | 23                     | 2,198     | 18                     | 6,419   | 29                     | 14,898  | 22                     | 22,498  | 25                     | 12,927  |
|                       | Awards.....   | 9                      | 1,294     | 2                      | 790     | 7                      | 2,759   | 11                     | 12,423  | 11                     | 6,195   |
| 11                    | Additional fabricated structural products of Consolidated:<br>Bids.....                               |                        |           |                        |         |                        |         |                        |         |                        |         |
|                       | Awards.....   |                        |           |                        |         |                        |         |                        |         |                        |         |
| 12                    | Miscellaneous fabricated materials for use in fabricated struc-<br>tural steel products:<br>Bids..... | 22                     | 994       | 6                      | 180     | 17                     | 2,042   | 17                     | 9,927   | 29                     | 1,029   |
|                       | Awards.....   | 3                      | 194       | 3                      | 115     | 6                      | 297     | 4                      | 115     | 15                     | 648     |
|                       | Total bids.....   | 314                    | 105,589   | 295                    | 151,369 | 315                    | 134,128 | 297                    | 172,364 | 368                    | 196,247 |
|                       | Total awards.....   | 79                     | 22,149    | 75                     | 52,422  | 77                     | 29,165  | 85                     | 68,794  | 114                    | 78,741  |

| Product class  | 1942            |         | 1943            |        | 1944            |        | 1945            |        | 1946            |         | Total 10 years  |           |
|--|-----------------|---------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|---------|-----------------|-----------|
|  | Num-ber of jobs | Tons    | Num-ber of jobs | Tons   | Num-ber of jobs | Tons   | Num-ber of jobs | Tons   | Num-ber of jobs | Tons    | Num-ber of jobs | Tons      |
| 1 Railway bridges and heavy duty trestles:<br>Bids.....  | 3               | 702     | 7               | 9,402  | 17              | 10,005 | 13              | 1,097  | 35              | 9,629   | 173             | 98,951    |
| Awards.....  | 3               | 314     | 3               | 6,060  | 12              | 9,111  | 5               | 1,116  | 12              | 2,670   | 109             | 72,026    |
| 2 Light-weight highway bridges:<br>Bids.....   | 1               | 66      | 4               | 322    | 6               | 338    | 11              | 981    | 32              | 2,375   | 101             | 22,994    |
| Awards.....  | 1               | 66      | 1               | 32     | 1               | 328    | 5               | 445    | 15              | 1,045   | 91              | 6,794     |
| 3 Heavy highway bridges:<br>Bids.....  | 4               | 2,226   | 3               | 1,417  | 3               | 2,262  | 13              | 11,505 | 27              | 24,402  | 292             | 294,144   |
| Awards.....  | 1               | 666     | 1               | 242    | 1               | 1,906  | 1               | 1,906  | 1               | 1,906   | 13              | 4,325     |
| 4 Buildings (except tire and powerhouse buildings):<br>Bids.....                                       | 62              | 124,432 | 23              | 16,618 | 59              | 44,402 | 49              | 38,110 | 65              | 28,090  | 523             | 499,199   |
| Awards.....  | 39              | 76,316  | 4               | 1,066  | 22              | 16,332 | 12              | 12,266 | 26              | 12,106  | 190             | 172,573   |
| 5 Tire buildings:<br>Bids.....   |                 |         | 1               | 1,710  |                 |        | 3               | 3,012  | 7               | 8,126   | 28              | 47,082    |
| Awards.....  |                 |         |                 |        |                 |        | 3               | 2,672  | 3               | 2,672   | 6               | 9,476     |
| 6 Buildings for powerhouses:<br>Bids.....  | 6               | 2,826   | 2               | 445    | 3               | 831    | 3               | 1,862  | 8               | 593     | 33              | 17,267    |
| Awards.....  | 2               | 2,116   | 2               | 445    | 2               | 831    | 2               | 1,862  | 2               | 346     | 14              | 6,281     |
| 7 Gases, etc., for friction and hydraulic power<br>plants:<br>Bids.....                                | 7               | 2,270   | 13              | 1,123  | 7               | 1,702  | 7               | 1,701  | 26              | 9,082   | 177             | 64,282    |
| Awards.....  | 3               | 1,073   | 4               | 274    | 4               | 1,066  | 2               | 289    | 11              | 2,025   | 51              | 25,126    |
| 8 Specialties:<br>Bids.....  | 14              | 2,253   | 10              | 6,064  | 10              | 4,780  | 12              | 826    | 11              | 2,044   | 121             | 56,076    |
| Awards.....  | 7               | 2,060   | 4               | 181    | 17              | 4,666  | 10              | 216    | 2               | 460     | 76              | 25,066    |
| 9 Towers and electric substations:<br>Bids.....  | 318             | 1,327   | 2               | 396    | 6               | 634    | 6               | 570    | 16              | 17,222  | 125             | 115,656   |
| Awards.....  | 7               | 467     | 2               | 307    | 1               | 67     | 3               | 77     | 4               | 1,066   | 49              | 57,067    |
| 10 Miscellaneous steel work:<br>Bids.....  | 69              | 49,143  | 29              | 12,094 | 31              | 4,715  | 17              | 4,784  | 17              | 4,066   | 203             | 126,702   |
| Awards.....  | 22              | 22,903  | 10              | 4,475  | 16              | 1,469  | 6               | 1,713  | 9               | 2,741   | 110             | 67,222    |
| 11 Additional fabricated structural products of Con-<br>solidated:<br>Bids.....                        |                 |         |                 |        |                 |        |                 |        |                 |         |                 |           |
| Awards.....  |                 |         |                 |        |                 |        |                 |        |                 |         |                 |           |
| 12 Miscellaneous fabricated materials for use in<br>fabricated structural steel products:<br>Bids..... | 24              | 9,216   | 46              | 7,267  | 25              | 2,126  | 14              | 2,126  | 17              | 316     | 212             | 23,282    |
| Awards.....  | 15              | 5,066   | 15              | 4,021  | 15              | 2,800  | 12              | 2,800  | 12              | 2,800   | 111             | 11,464    |
| Total bids.....  | 166             | 201,008 | 143             | 16,077 | 174             | 71,711 | 113             | 65,469 | 231             | 197,075 | 2,490           | 1,272,111 |
| Total awards.....  | 99              | 126,822 | 1               | 16,814 | 90              | 24,032 | 67              | 20,137 | 111             | 48,707  | 229             | 466,913   |

Source: United States Steel subsidiary company records.

Consolidated Steel Corp. and subsidiaries fabricated structural steel—bids and awards—11 States, by job classification, Jan. 1, 1937, to Aug. 31, 1946

| Product class   | Arizona |       | California |         | Idaho  |      | Louisiana |        | Montana |      | Nebraska |        |
|---|---------|-------|------------|---------|--------|------|-----------|--------|---------|------|----------|--------|
|   | Number  | Tons  | Number     | Tons    | Number | Tons | Number    | Tons   | Number  | Tons | Number   | Tons   |
| 1 Railway bridges and heavy duty trestles:<br>Bids.....   | 3       | 800   | 26         | 14,431  |        |      | 3         | 3,813  |         |      |          |        |
| Awards.....   |         |       | 6          | 2,677   |        |      |           |        |         |      |          |        |
| 2 Light-weight highway bridges:<br>Bids.....  | 1       | 44    | 31         | 2,295   |        |      | 4         | 194    |         |      |          |        |
| Awards.....   |         |       | 13         | 1,115   |        |      |           |        |         |      |          |        |
| 3 Heavy highway bridges:<br>Bids.....   | 2       | 632   | 34         | 24,022  |        |      | 1         | 191    |         |      |          |        |
| Awards.....   |         |       | 12         | 4,671   |        |      |           |        |         |      |          |        |
| 4 Buildings (except tier and powerhouse buildings):<br>Bids.....                                    | 31      | 2,401 | 1,303      | 187,441 | 1      | 35   | 130       | 7,793  | 3       | 224  | 40       | 11,309 |
| Awards.....   | 3       | 25    | 643        | 56,833  |        |      | 39        | 2,340  | 1       | 159  | 10       | 1,035  |
| 5 Tier buildings:<br>Bids.....  |         |       | 23         | 9,267   |        |      |           |        |         |      |          |        |
| Awards.....   |         |       | 13         | 5,131   |        |      |           |        |         |      |          |        |
| 6 Buildings for powerhouses:<br>Bids.....   | 2       | 87    | 48         | 5,421   |        |      |           |        |         |      |          |        |
| Awards.....   |         |       | 14         | 3,321   |        |      |           |        |         |      |          |        |
| 7 Gates, etc., for irrigation and hydraulic power projects:<br>Bids.....                            | 23      | 3,311 | 102        | 5,961   | 1      | 1    | 3         | 504    | 3       | 229  | 6        | 36     |
| Awards.....   | 7       | 1,097 | 25         | 2,064   |        |      | 1         | 414    |         |      | 1        | 4      |
| 8 Specialties:<br>Bids.....   | 2       | 149   | 49         | 25,152  |        |      | 1         | 1,060  | 1       | 13   | 1        | 47     |
| Awards.....   |         |       | 13         | 1,379   |        |      | 1         | 1,060  |         |      |          |        |
| 9 Towers and electric substations:<br>Bids.....   | 4       | 176   | 32         | 11,134  |        |      |           |        |         |      | 5        | 237    |
| Awards.....   | 1       | 4     | 10         | 149     |        |      |           |        |         |      |          |        |
| 10 Miscellaneous steel work:<br>Bids.....   | 46      | 1,798 | 1,006      | 72,805  | 2      | 137  | 184       | 7,555  | 3       | 19   | 26       | 1,080  |
| Awards.....   | 11      | 231   | 712        | 25,633  | 1      | 30   | 70        | 3,008  | 1       | 4    | 9        | 43     |
| 11 Additional fabricated structural products of Consolidated:<br>Bids.....                          | 1       | 11    | 241        | 22,314  | 3      | 34   |           |        |         |      | 1        | 49     |
| Awards.....   | 1       | 11    | 171        | 7,056   | 3      | 24   |           |        |         |      |          |        |
| 12 Miscellaneous fabricated materials for use in fabricated structural steel products:<br>Bids..... | 8       | 173   | 240        | 4,989   |        |      | 8         | 672    |         |      | 2        | 17     |
| Awards.....   | 1       | 41    | 104        | 1,838   |        |      | 7         | 863    |         |      |          |        |
| Total bids.....   | 119     | 9,734 | 4,437      | 305,183 | 6      | 107  | 244       | 25,114 | 10      | 489  | 51       | 12,369 |
| Total awards.....   | 34      | 1,369 | 1,776      | 115,477 | 3      | 25   | 113       | 7,388  | 1       | 159  | 25       | 1,173  |

| Product class  | New Mexico |       | Oregon  |       | Texas   |        | Utah    |       | Washington |        | Total   |         |
|--|------------|-------|---------|-------|---------|--------|---------|-------|------------|--------|---------|---------|
|  | Num-ber    | Tons  | Num-ber | Tons  | Num-ber | Tons   | Num-ber | Tons  | Num-ber    | Tons   | Num-ber | Tons    |
| 1 Railway bridges and heavy duty trusses:<br>Bids  | 1          | 81    |         |       | 18      | 9,743  |         |       |            |        | 17      | 20,399  |
| Awards   |            |       |         |       | 3       | 61     |         |       |            |        | 3       | 2,778   |
| 2 Light-weight highway bridges:<br>Bids  |            |       |         |       | 12      | 606    |         |       |            |        | 12      | 1,193   |
| Awards   |            |       |         |       | 1       | 61     |         |       |            |        | 1       | 1,170   |
| 3 Heavy highway bridges:<br>Bids   |            |       |         |       | 9       | 1,925  |         |       |            |        | 9       | 25,089  |
| Awards   |            |       |         |       |         |        |         |       | 1          | 47     | 1       | 9,671   |
| 4 Buildings (except tier and powerhouse buildings):<br>Bids                                    | 9          | 164   | 1       | 432   | 503     | 44,156 |         |       |            |        | 504     | 37,581  |
| Awards   | 3          | 36    |         |       | 162     | 10,320 | 9       | 1,077 |            |        | 163     | 72,561  |
| 5 Tier buildings:<br>Bids  |            |       |         |       | 1       | 1,961  |         |       |            |        | 1       | 10,529  |
| Awards   |            |       |         |       | 1       | 1,961  |         |       |            |        | 1       | 9,203   |
| 6 Buildings for powerhouses:<br>Bids   |            |       |         |       | 3       | 185    |         |       |            |        | 3       | 9,799   |
| Awards   |            |       |         |       |         |        | 1       | 84    |            |        | 1       | 2,821   |
| 7 Gases, etc., for irrigation and hydraulic power projects:<br>Bids                            |            |       |         |       | 11      | 2,235  | 3       | .5    | 12         | 16,810 | 17      | 22,144  |
| Awards   | 3          | 605   | 5       | 1,360 | 7       | 571    |         |       | 5          | 6,623  | 20      | 9,635   |
| 8 Specifications:<br>Bids  | 4          | 142   |         |       |         |        |         |       |            |        | 4       | 2,081   |
| Awards   |            |       |         |       |         |        |         |       |            |        | 4       | 2,081   |
| 9 Towers and electric substation:<br>Bids  |            |       |         |       |         |        |         |       |            |        |         |         |
| Awards   |            |       |         |       | 5       | 285    | 1       | 263   | 3          | 488    | 9       | 12,641  |
| 10 Miscellaneous steel work:<br>Bids   |            |       |         |       |         |        |         |       | 1          | 23     | 1       | 12,185  |
| Awards   | 15         | 665   | 2       | 2,442 | 648     | 28,360 | 16      | 4,126 | 20         | 8,399  | 208     | 127,616 |
| 11 Additional fabricated structural products of Consolidated:<br>Bids                          | 4          | 170   | 3       | 535   | 223     | 7,427  | 7       | 464   | 11         | 2,356  | 2,088   | 46,394  |
| Awards   |            |       |         |       |         |        |         |       |            |        | 1,089   |         |
| 12 Miscellaneous fabricated materials for use in fabricated structural steel products:<br>Bids |            |       |         |       | 3       | 437    | 1       | 18    | 4          | 2,101  | 304     | 25,441  |
| Awards   |            |       |         |       | 1       | 30     | 1       | 15    |            |        | 170     | 7,136   |
| Total bids   | 23         | 1,605 | 15      | 5,863 | 1,245   | 91,928 | 20      | 5,438 | 48         | 20,220 | 677     | 878,967 |
| Total awards   | 10         | 339   | 5       | 681   | 477     | 20,365 | 8       | 648   | 17         | 7,313  | 239     | 126,669 |

Source: Consolidated Steel Corp. and subsidiary company records comprising data from Consolidated Steel Corp. (California) from Jan. 1, 1937, to Aug. 31, 1946; Consolidated Steel Corp. of Texas from inception of company in 1940 to Aug. 31, 1946, and Western Pipe & Steel Co. from Jan. 1, 1940, to Aug. 31, 1946.



Consolidated Steel Corp. and subsidiaries fabricated structural steel—bids and awards—11 States, by job classification and by years, Jan. 1, 1937, to Aug. 31, 1945

| Pro-<br>duct<br>class  | 1937                   |        | 1938                   |        | 1939                   |        | 1940                   |         | 1941                   |         |
|--|------------------------|--------|------------------------|--------|------------------------|--------|------------------------|---------|------------------------|---------|
|  | Num-<br>ber of<br>jobs | Tons   | Num-<br>ber of<br>jobs | Tons   | Num-<br>ber of<br>jobs | Tons   | Num-<br>ber of<br>jobs | Tons    | Num-<br>ber of<br>jobs | Tons    |
| 1 Railway bridges and heavy duty trestles:<br>Bids.....  | 6                      | 975    | 6                      | 1,167  | 7                      | 6,413  | 9                      | 4,399   | 17                     | 14,365  |
| Awards.....  | 1                      | 68     | 1                      | 46     | 1                      | 2,409  | 1                      | 13      | 2                      | 25      |
| 2 Light-weight highway bridges:<br>Bids.....   | 6                      | 410    | 11                     | 390    | 12                     | 647    | 11                     | 629     | 9                      | 626     |
| Awards.....  | 3                      | 170    | 3                      | 121    | 5                      | 180    | 1                      | 146     | 1                      | 65      |
| 3 Heavy Highway Bridges:<br>Bids.....  | 6                      | 1,294  | 8                      | 680    | 9                      | 4,128  | 6                      | 1,597   | 5                      | 1,216   |
| Awards.....  | 2                      | 443    | 1                      | 259    | 1                      | 365    | 3                      | 1,076   | 3                      | 715     |
| 4 Buildings (except for and powerhouse buildings):<br>Bids.....  | 150                    | 6,629  | 200                    | 6,621  | 268                    | 16,261 | 688                    | 25,473  | 288                    | 47,719  |
| Awards.....  | 46                     | 2,161  | 43                     | 2,160  | 90                     | 7,370  | 136                    | 17,589  | 195                    | 27,450  |
| 5 Twp buildings:<br>Bids.....  | 7                      | 2,380  | 4                      | 2,009  | 6                      | 2,009  | 1                      | 1,009   | 2                      | 260     |
| Awards.....  | 4                      | 2,264  | 3                      | 1,864  | 1                      | 1,864  | 1                      | 1,009   | 2                      | 190     |
| 6 Buildings for powerhouses:<br>Bids.....  | 6                      | 439    | 6                      | 139    | 6                      | 609    | 11                     | 314     | 9                      | 2,097   |
| Awards.....  | 1                      | 66     | 1                      | 66     | 1                      | 366    | 4                      | 87      | 1                      | 67      |
| 7 Gates, etc., for irrigation and hydraulic power projects:<br>Bids.....                                 | 55                     | 5,681  | 16                     | 6,009  | 22                     | 2,222  | 29                     | 3,009   | 16                     | 1,671   |
| Awards.....  | 14                     | 2,212  | 1                      | 1,778  | 6                      | 1,009  | 12                     | 664     | 16                     | 1,671   |
| 8 Specialties:<br>Bids.....  | 1                      | 16     | 1                      | 16     | 6                      | 162    | 12                     | 4,470   | 14                     | 4,009   |
| Awards.....  | 1                      | 16     | 1                      | 16     | 1                      | 66     | 3                      | 66      | 3                      | 1,009   |
| 9 Towers and electric substations:<br>Bids.....  | 4                      | 79     | 7                      | 276    | 14                     | 669    | 10                     | 7,219   | 5                      | 156     |
| Awards.....  | 1                      | 6      | 2                      | 6      | 1                      | 6      | 1                      | 6       | 1                      | 6       |
| 10 Miscellaneous steel work:<br>Bids.....  | 109                    | 6,429  | 124                    | 3,923  | 179                    | 11,009 | 269                    | 15,007  | 469                    | 27,125  |
| Awards.....  | 26                     | 1,146  | 27                     | 2,265  | 47                     | 2,446  | 126                    | 7,264   | 166                    | 6,156   |
| 11 Additional fabricated structural products of Consolidated:<br>Bids.....                               | 1                      | 3      | 3                      | 660    | 69                     | 1,063  | 61                     | 6,009   | 47                     | 711     |
| Awards.....  | 1                      | 3      | 23                     | 239    | 69                     | 1,063  | 59                     | 1,009   | 24                     | 2,219   |
| 12 Miscellaneous fabricated materials for use in fabricated struc-<br>tural steel products:<br>Bids..... | 24                     | 576    | 23                     | 663    | 3                      | 26     | 43                     | 79      | 49                     | 1,009   |
| Awards.....  | 17                     | 269    | 31                     | 811    | 11                     | 16     | 1                      | 6       | 1                      | 6       |
| Total bids.....  | 413                    | 27,009 | 499                    | 26,009 | 641                    | 66,009 | 1,009                  | 100,009 | 1,009                  | 100,009 |
| Total awards.....  | 126                    | 10,164 | 166                    | 7,331  | 244                    | 14,331 | 339                    | 33,331  | 339                    | 33,331  |



| Pro-<br>duct<br>class   | 1942                   |        | 1943                   |        | 1944                   |        | 1945                   |        | 6 months 1946          |        | 10-year total          |         |
|---|------------------------|--------|------------------------|--------|------------------------|--------|------------------------|--------|------------------------|--------|------------------------|---------|
|   | Num-<br>ber of<br>jobs | Tons   | Num-<br>ber of<br>jobs | Tons   | Num-<br>ber of<br>jobs | Tons   | Num-<br>ber of<br>jobs | Tons   | Num-<br>ber of<br>jobs | Tons   | Num-<br>ber of<br>jobs | Tons    |
| 1 Railway bridges and heavy duty trestles:<br>Awards<br>Bids  |                        |        | 1                      | 612    | 3                      | 916    | 6                      | 697    | 6                      | 693    | 17                     | 25,228  |
| 2 Light-weight highway bridges:<br>Awards<br>Bids   |                        |        | 1                      | 34     | 3                      | 361    | 7                      | 529    | 7                      | 517    | 15                     | 4,189   |
| 3 Heavy Highway Bridges:<br>Awards<br>Bids  |                        |        |                        |        |                        |        | 2                      | 126    | 3                      | 244    | 10                     | 1,174   |
| 4 Buildings (except for and powerhouse buildings):<br>Awards<br>Bids  |                        |        |                        |        |                        |        | 6                      | 17,000 | 10                     | 2,346  | 43                     | 22,000  |
| 5 Towers:<br>Awards<br>Bids   | 122                    | 14,816 | 72                     | 4,267  | 127                    | 20,243 | 269                    | 35,015 | 482                    | 44,260 | 2,000                  | 277,000 |
| 6 Buildings for powerhouses:<br>Awards<br>Bids  | 41                     | 2,705  | 37                     | 1,263  | 43                     | 1,458  | 113                    | 12,004 | 264                    | 17,000 | 500                    | 75,000  |
| 7 Gases, etc., for irrigation and hydraulic power<br>projects:<br>Awards<br>Bids                            |                        |        |                        |        |                        |        | 4                      | 2,075  | 2                      | 1,000  | 12                     | 25,000  |
| 8 Specialties:<br>Awards<br>Bids  |                        |        | 3                      | 14     |                        |        | 1                      | 688    | 5                      | 2,015  | 21                     | 9,700   |
| 9 Towers and electric substations:<br>Awards<br>Bids  |                        |        | 3                      | 6      |                        |        | 2                      | 2,718  | 1                      | 2,015  | 21                     | 9,700   |
| 10 Miscellaneous steel work:<br>Awards<br>Bids  |                        |        |                        |        |                        |        | 3                      | 2,317  | 28                     | 6,014  | 170                    | 25,140  |
| 11 Additional fabricated structural products of<br>Consolidated:<br>Awards<br>Bids                          |                        |        |                        |        |                        |        | 3                      | 1,046  | 3                      | 1,046  | 20                     | 6,000   |
| 12 Miscellaneous fabricated materials for use in<br>fabricated structural steel products:<br>Awards<br>Bids |                        |        |                        |        |                        |        | 2                      | 6,000  | 2                      | 6,000  | 20                     | 2,000   |
| Total bids  | 327                    | 15,767 | 270                    | 7,972  | 180                    | 5,581  | 330                    | 16,008 | 567                    | 10,003 | 2,000                  | 127,010 |
| Total awards  | 315                    | 5,940  | 120                    | 3,435  | 73                     | 2,460  | 160                    | 4,500  | 113                    | 4,504  | 1,000                  | 65,200  |
| 13 Miscellaneous fabricated materials for use in<br>fabricated structural steel products:<br>Awards<br>Bids |                        |        |                        |        |                        |        | 20                     | 1,200  | 28                     | 2,727  | 204                    | 25,410  |
| Total bids  | 11                     | 6,322  | 6                      | 951    | 10                     | 991    | 20                     | 1,200  | 10                     | 1,200  | 170                    | 25,410  |
| Total awards  | 3                      | 10     | 2                      | 108    | 7                      | 111    | 9                      | 707    | 10                     | 1,200  | 170                    | 25,410  |
| 14 Miscellaneous fabricated materials for use in<br>fabricated structural steel products:<br>Awards<br>Bids |                        |        |                        |        |                        |        | 28                     | 893    | 27                     | 700    | 200                    | 12,000  |
| Total bids  | 17                     | 646    | 28                     | 2,051  | 28                     | 3,226  | 28                     | 893    | 27                     | 700    | 200                    | 12,000  |
| Total awards  | 11                     | 78     | 20                     | 605    | 19                     | 501    | 13                     | 200    | 10                     | 1,200  | 170                    | 25,410  |
| Total bids  | 610                    | 26,463 | 291                    | 15,666 | 266                    | 10,100 | 674                    | 25,720 | 583                    | 15,200 | 2,000                  | 127,010 |
| Total awards  | 277                    | 8,268  | 194                    | 3,267  | 125                    | 5,377  | 267                    | 10,911 | 145                    | 5,461  | 1,000                  | 65,200  |

Source: Consolidated Steel Corp. and subsidiary company records comprising data from Consolidated Steel Corp. (California) from Jan. 1, 1937, to Aug. 31, 1945; Cons-  
olidated Steel Corp. of Texas from inception of company in 1940 to Aug. 31, 1944, and Western Pipe & Steel Co. from Jan. 1, 1945, to Aug. 31, 1945.

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*Defendant's Exhibit 57*

*U. S. Steel, analysis of jobs bid—11 States, 10 years—1937 to 1946, showing jobs awarded to U. S. Steel and to others and comparison of jobs awarded to U. S. Steel and to Consolidated Steel from jobs on which both bid*

[illegible]

Source: U. S. Steel Subsidiary Co. records supplemented by information from Consolidated Steel Corp.

United States Steel Corp. subsidiaries, fabricated structural steel sales (American Bridge Co. and Virginia Bridge Co.)—  
11 States

|             | 1937      | 1938      | 1939      | 1940      | 1941       | 1942       | 1943      | 1944      | 1945      | 1946      | Total      |
|-------------|-----------|-----------|-----------|-----------|------------|------------|-----------|-----------|-----------|-----------|------------|
|             |           |           |           |           |            |            |           |           |           |           | Dollars    |
| California: |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 5,960     | 19,792    | 5,522     | 22,000    | 14,427     | 10,092     | 1,196     | 24,933    | 10,412    | 28,893    | 181,368    |
| Dollars     | 1,312,616 | 1,745,515 | 817,104   | 4,228,216 | 1,829,378  | 2,370,952  | 262,454   | 4,227,363 | 1,414,967 | 4,270,445 | 23,565,523 |
| Washington: |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 6,377     | 15,447    | 12,281    | 15,112    | 24,032     | 22,025     | 12,072    | 2,013     | 1,191     | 1,811     | 125,063    |
| Dollars     | 691,264   | 1,592,100 | 1,365,266 | 1,824,550 | 5,825,225  | 4,821,847  | 1,410,270 | 257,660   | 164,59    | 874,727   | 17,694,729 |
| Oregon:     |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 226       | 172       |           |           | 1,828      | 909        | 778       | 1,089     | 69        | 78        | 5,260      |
| Dollars     | 26,869    | 14,625    |           |           | 190,814    | 106,416    | 112,061   | 978,093   | 7,698     | 12,859    | 714,653    |
| Arizona:    |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 40        | 40        | 717       | 471       |            | 28         | 28        | 1,209     |           | 1,094     | 5,727      |
| Dollars     | 2,128     | 2,148     | 54,599    | 42,669    |            | 7,787      | 892,079   | 2,686     |           | 244,226   | 1,222,681  |
| Idaho:      |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 615       | 723       | 345       | 122       | 790        | 108        | 100       | 128       | 58        | 68        | 4,498      |
| Dollars     | 79,683    | 98,000    | 28,677    | 14,000    | 72,910     | 127,942    | 21,280    | 45,629    | 20,181    | 112,712   | 629,227    |
| Montana:    |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 1,023     | 471       | 1,242     | 678       | 600        | 79         |           | 281       | 189       | 1,064     | 5,027      |
| Dollars     | 122,796   | 52,201    | 127,497   | 90,572    | 47,242     | 10,222     |           | 12,652    | 22,889    | 214,106   | 681,629    |
| Nevada:     |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    |           | 716       |           |           | 14,728     | 1,400      |           |           |           |           | 16,044     |
| Dollars     |           | 24,229    |           |           | 1,960,080  | 127,073    |           |           |           |           | 2,126,326  |
| New Mexico: |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 288       | 1,896     | 286       | 222       | 156        |            | 126       | 592       | 189       | 212       | 4,796      |
| Dollars     | 44,476    | 122,472   | 27,117    | 31,417    | 19,870     |            | 8,090     | 111,264   | 28,028    | 109,728   | 614,289    |
| Utah:       |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 126       | 272       | 1,419     | 2,626     | 66         | 65,541     | 1,069     | 64        | 1,224     | 2,042     | 71,964     |
| Dollars     | 16,070    | 26,096    | 174,005   | 260,820   | 89,617     | 11,187,942 | 317,787   | 27,073    | 124,616   | 267,121   | 12,661,577 |
| Louisiana:  |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 1,203     | 1,746     | 5,796     | 11,494    | 2,316      | 12,282     | 2,092     | 2,821     | 216       | 2,966     | 41,899     |
| Dollars     | 156,376   | 246,986   | 496,411   | 1,120,016 | 246,000    | 1,724,467  | 246,712   | 266,949   | 49,074    | 461,774   | 5,211,610  |
| Texas:      |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 2,469     | 6,876     | 5,954     | 5,126     | 3,865      | 5,260      | 19        | 282       | 7,285     | 10,028    | 65,921     |
| Dollars     | 242,266   | 629,126   | 662,560   | 565,370   | 268,662    | 794,291    | 4,251     | 65,967    | 936,277   | 1,444,869 | 5,727,224  |
| Total:      |           |           |           |           |            |            |           |           |           |           |            |
| Net tons    | 22,740    | 47,282    | 22,000    | 69,029    | 72,229     | 126,426    | 24,927    | 21,029    | 21,099    | 45,899    | 497,922    |
| Dollars     | 2,704,962 | 4,264,901 | 2,072,728 | 8,173,128 | 10,294,315 | 21,251,351 | 2,259,664 | 4,296,267 | 2,762,749 | 8,222,262 | 79,766,672 |

Source: Summary from answer to Interrogatory No. 9.

1929

## Defendant's Exhibit 50

Consolidated Steel Corp. and subsidiaries, sales by years—tons

| Product class       | 1927    | 1928   | 1929   | 9 months, 1929 | Year 1929 | 1931    | 1932    | 1933    | 1934    | 1935    | 1936    | 9 months, 1936 | Total     |
|---------------------|---------|--------|--------|----------------|-----------|---------|---------|---------|---------|---------|---------|----------------|-----------|
| Mechanical          | 2,210   | 4,232  | 2,495  | 1,823          | 2,905     | 2,905   | 2,975   | 2,975   | 2,975   | 1,012   | 1,000   | 1,417          | 22,027    |
| Structural          | 25,536  | 12,280 | 16,543 | 4,106          | 27,023    | 27,023  | 28,210  | 28,210  | 28,210  | 9,703   | 795     | 633            | 146,749   |
| Industrial building |         |        | 343    |                |           |         |         |         |         |         | 12,002  |                | 12,002    |
| Oil derrick         |         |        | 814    |                |           |         |         |         |         |         | 22      |                | 22        |
| Refinery equipment  | 1,167   | 147    |        | 1,023          | 1,195     | 1,195   | 960     | 960     | 960     | 2,300   | 1,020   | 242            | 10,000    |
| Grain bins          | 184     |        |        | 4,477          | 4,380     | 4,380   | 2,778   | 2,778   | 2,778   | 2,880   | 341     | 218            | 27,252    |
| Piers               | 2,805   | 5,094  | 4,000  | 281            | 22,001    | 22,001  | 26,179  | 26,179  | 26,179  | 10,534  | 14,548  | 914            | 211,479   |
| Small plate work    | 2,701   | 4,002  | 2,000  | 16,173         | 11,742    | 11,742  | 16,749  | 16,749  | 16,749  | 4,880   | 8,064   | 10,121         | 170,794   |
| Pipe—cast           | 50,000  | 30,046 | 300    | 16,862         | 14,822    | 14,822  | 16,737  | 16,737  | 16,737  | 10,270  | 6,168   | 8,000          | 40,423    |
| Pipe—steel          | 1,717   | 2,185  | 1,185  | 2,645          | 1,041     | 1,041   | 1,466   | 1,466   | 1,466   | 3,039   | 3,027   | 2,371          | 40,423    |
| Welding             | 5,613   | 2,707  | 2,707  | 2,645          | 1,041     | 1,041   | 1,466   | 1,466   | 1,466   | 3,039   | 3,027   | 2,371          | 40,423    |
| Cast iron pipe      | 2,198   | 2,065  | 2,065  | 2,382          | 1,041     | 1,041   | 1,466   | 1,466   | 1,466   | 3,039   | 3,027   | 2,371          | 40,423    |
| Roller beams        | 2,223   | 2,065  | 2,065  | 2,382          | 1,041     | 1,041   | 1,466   | 1,466   | 1,466   | 3,039   | 3,027   | 2,371          | 40,423    |
| Small boats         | 2,451   | 1,075  | 25     | 1,274          | 2,146     | 2,146   | 16,279  | 16,279  | 16,279  | 31,864  | 25,315  | 1,945          | 115,000   |
| Combination         |         |        |        |                |           |         |         |         |         |         | 1,179   | 77             | 1,256     |
| Miscellaneous       | 1,680   | 178    | 525    | 2,008          | 2,345     | 2,345   | 11,081  | 11,081  | 11,081  | 15,000  | 16,200  | 3,402          | 74,100    |
| Total companies     | 124,765 | 64,102 | 64,102 | 70,008         | 123,040   | 123,040 | 123,000 | 123,000 | 123,000 | 110,000 | 104,119 | 41,815         | 1,002,200 |
| Shipbuilding        |         |        |        |                |           |         |         |         |         |         | 23,000  | 10,014         | 1,102,004 |
| Naval ordnance      |         |        |        |                |           |         |         |         |         |         | 27,000  | 1,123          | 13,000    |
| Ship repairs        |         |        |        |                |           |         |         |         |         |         | 4,204   |                |           |
| AS made             | 124,765 | 64,102 | 64,102 | 70,008         | 123,040   | 123,040 | 123,000 | 123,000 | 123,000 | 110,000 | 104,119 | 41,815         | 1,002,200 |

Source: Summary from answer to Interrogatory No. 7.



## Defendant's Exhibit 60

Consolidated Steel Corp. and subsidiaries, sales by years—dollars

|                     | 1927       | 1928      | 1929       | 1930      | 9 months, 1930 | Year 1930 | 1931       | 1932        | 1933       | 1934       | 1935       | Year 1935 | 9 months, 1935 | Total      |
|---------------------|------------|-----------|------------|-----------|----------------|-----------|------------|-------------|------------|------------|------------|-----------|----------------|------------|
| Mechanical          | 625,810    | 681,036   | 1,052,472  | 780,341   | 103,626        | 103,626   | 608,719    | 726,472     | 288,589    | 582,486    | 197,040    | 582,700   | 165,764        | 6,364,859  |
| Structural          | 3,414,084  | 1,311,746 | 1,814,044  | 1,414,028 | 471,386        | 471,386   | 3,752,081  | 3,384,973   | 3,088,134  | 1,382,570  | 1,072,989  | 3,381,730 | 87,000         | 22,348,822 |
| Industrial building |            |           | 58,779     | 58,981    |                |           | 58,145     | 58,243      | 14,743     |            | 5,361      |           |                | 22,348,822 |
| Oil derricks        |            | 41,570    | 127,031    | 167,186   | 58,575         | 58,575    | 121,412    | 163,490     | 671,361    | 232,169    | 134,469    | 6,000     | 72,348         | 2,364,834  |
| Refinery equipment  | 27,489     | 5,266     | 88,319     | 11,138    | 11,138         | 11,138    | 13,189     | 28,916      | 20,000     | 14,277     | 44,308     | 71,264    | 30,494         | 22,348,822 |
| Crude line          | 3,977,324  | 2,151,118 | 1,457,887  | 682,540   | 482,540        | 482,540   | 3,072,760  | 2,458,816   | 2,535,622  | 4,382,311  | 2,265,000  | 1,389,866 | 288,000        | 22,348,822 |
| Pipe                | 443,324    | 1,822,848 | 881,387    | 881,387   | 881,387        | 881,387   | 1,816,760  | 2,401,263   | 1,822,812  | 1,073,944  | 1,073,944  | 25,000    | 1,013,400      | 22,348,822 |
| Small plate work    | 4,382,311  | 1,822,848 | 881,387    | 881,387   | 881,387        | 881,387   | 1,816,760  | 2,401,263   | 1,822,812  | 1,073,944  | 1,073,944  | 25,000    | 1,013,400      | 22,348,822 |
| Heavy pipe          | 117,508    | 137,711   | 730,000    | 730,000   | 730,000        | 730,000   | 114,028    | 1,052,079   | 2,081,368  | 2,282,163  | 1,073,944  | 25,000    | 1,013,400      | 22,348,822 |
| Light pipe          | 786,777    | 574,615   | 344,000    | 344,000   | 344,000        | 344,000   | 827,968    | 235,487     | 2,081,368  | 2,282,163  | 1,073,944  | 25,000    | 1,013,400      | 22,348,822 |
| Well casing         | 58,779     | 18,718    | 191,306    | 191,306   | 191,306        | 191,306   | 377,910    | 52,123      | 4,351,123  | 4,411,000  | 2,081,368  | 25,000    | 25,000         | 22,348,822 |
| Culvert pipe        |            |           |            |           |                |           |            | 2,227,456   | 4,351,123  | 4,411,000  | 2,081,368  | 25,000    | 25,000         | 22,348,822 |
| Boilers             |            |           |            |           |                |           |            | 52,123      | 4,351,123  | 4,411,000  | 2,081,368  | 25,000    | 25,000         | 22,348,822 |
| Boiler tanks        |            |           |            |           |                |           |            | 52,123      | 4,351,123  | 4,411,000  | 2,081,368  | 25,000    | 25,000         | 22,348,822 |
| Small boats         |            |           |            |           |                |           |            | 52,123      | 4,351,123  | 4,411,000  | 2,081,368  | 25,000    | 25,000         | 22,348,822 |
| Combustion          |            |           |            |           |                |           |            | 52,123      | 4,351,123  | 4,411,000  | 2,081,368  | 25,000    | 25,000         | 22,348,822 |
| Miscellaneous       | 134,396    | 168,027   | 93,967     | 27,969    | 27,969         | 27,969    | 274,644    | 181,489     | 2,061,009  | 2,923,097  | 145,918    | 17,000    | 258,000        | 22,348,822 |
| Total commercial    | 18,074,080 | 8,827,770 | 10,822,321 | 2,326,923 | 7,281,013      | 7,281,013 | 274,644    | 181,489     | 2,061,009  | 2,923,097  | 145,918    | 17,000    | 258,000        | 22,348,822 |
| Shipbuilding        | 18,074,080 | 8,827,770 | 10,822,321 | 2,326,923 | 7,281,013      | 7,281,013 | 274,644    | 181,489     | 2,061,009  | 2,923,097  | 145,918    | 17,000    | 258,000        | 22,348,822 |
| Naval ordnance      |            |           |            |           |                |           | 41,028,048 | 172,280,345 | 20,947,267 | 18,467,341 | 18,074,080 | 8,827,770 | 8,827,770      | 22,348,822 |
| Ship repairs        |            |           |            |           |                |           | 855,965    | 7,100,176   | 10,025,986 | 11,548,768 | 5,948,875  | 8,827,770 | 8,827,770      | 22,348,822 |
| Grand total         | 18,074,080 | 8,827,770 | 10,822,321 | 2,326,923 | 7,281,013      | 7,281,013 | 274,644    | 181,489     | 2,061,009  | 2,923,097  | 145,918    | 17,000    | 258,000        | 22,348,822 |

Source: Summary from answer to Interrogatory No. 7.



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*Defendant's Exhibit 61***Estimates of Production of Fabricated Structural Products—  
Eleven States,<sup>1</sup> 1937 and 1939**

Source: Sixteenth Census of the United States: 1940; Manufacturers 1939, Volume 1, Part 2, pp. 279-276. Fabricated Structural Steel and Ornamental Metal Work, made in Plants not Operated in Connection with Rolling Mills.

The report contains the following definition:

"Description of the industry.—The establishments classified in this industry are engaged primarily in fabricating metal for structural and ornamental purposes. Some of the chief products are, structural steel for buildings and bridges, ornamental iron and steel work, balconies, bank fixtures, fabricated bars and rods for reinforcing concrete, elevator enclosures, iron fences, fire escapes and gratings. In some cases the fabrication is of a minor nature, consisting of merely cutting, punching and shaping steel incidental to the principal business of construction work or the buying and selling of steel and other metals, but the census figures relate only to the shop fabrication departments of such establishments.

"The phrase 'made in plants not operated in connection with rolling mills' refers to production in plants operated entirely independently of rolling mills, although in some cases under the same ownership."

These statistics show separately tons and value for the individual items mentioned above making it possible to segregate the sales of Structural Steel including only the items (1) for buildings (2) for bridges (3) other than for buildings and bridges and (4) structural steel, use not reported.

The following is an excerpt from Table 4 showing—Products by kind, quantity and value for the United States—1937 and 1939:

|                                   | 1937          | 1939          |
|-----------------------------------|---------------|---------------|
| Structural steel:                 |               |               |
| Fabricated total.....             | \$208,630,797 | \$181,779,208 |
| Quantity reported:                |               |               |
| Tons.....                         | 1,850,424     | 1,784,482     |
| Value.....                        | \$170,282,409 | \$159,632,688 |
| Quantity not reported, value..... | \$33,348,388  | \$22,146,520  |

<sup>1</sup> Although reference is made to eleven states, in these estimates census data are not published for Arizona and Montana separately and these data for Idaho, Nevada, and New Mexico indicate that there were no establishments classified in this industry in these states.

Since the tons of some producers was not reported and only the value was given it would be necessary to estimate the total tons of structural steel which may be done as follows:

|   |               |               |
|---|---------------|---------------|
| Value (with tons reported).....                             | \$170,392,400 | \$139,022,082 |
| Value (number tons reported).....                           | 23,348,368    | 22,148,525    |
| Percent number.....   | 19.55         | 13.85         |
| Tons reported.....  | 1,850,424     | 1,784,492     |
| Estimated tons not reported based on above percentages..... | 392,590       | 297,509       |
| Total tons (estimated).....                                 | 2,212,814     | 2,082,050     |

1232 The following data for 1943 are taken from Table 2 of the above census giving "General Statistics in Detail by States." The 1937 data are found in a similar table in the Census of Manufactures for 1937.

|                              | 1937          |                       | 1939          |                       |
|------------------------------|---------------|-----------------------|---------------|-----------------------|
|                              | Value         | Number establishments | Value         | Number establishments |
| Total value of products..... | \$209,745,904 | 1,132                 | \$204,000,000 | 1,126                 |
| By States:                   |               |                       |               |                       |
| California.....              | 20,308,367    | 99                    | 18,000,747    | 103                   |
| Washington.....              | 1,705,089     | 13                    | 200,447       | 11                    |
| Oregon.....                  | 855,020       | 7                     | 873,446       | 10                    |
| Arizona.....                 | (1)           | 3                     | (1)           | 1                     |
| Idaho.....                   | 0             | 0                     | 0             | 0                     |
| Montana.....                 | (1)           | 1                     | (1)           | 2                     |
| Nevada.....                  | 0             | 0                     | 0             | 0                     |
| New Mexico.....              | 0             | 0                     | 0             | 0                     |
| Utah.....                    | 784,583       | 5                     | 952,713       | 4                     |
| Texas.....                   | 9,399,080     | 37                    | 9,952,810     | 44                    |
| Louisiana.....               | 1,396,510     | 8                     | 1,134,163     | 9                     |
| Total in 11 States.....      | 32,726,429    | 169                   | 31,931,226    | 183                   |

(1) Not disclosed.

The above indicates that the volume of total production of the reporting industry located in the eleven states was approximately: 1937, 11.5%; 1939, 11.9%.

### Estimate of Fabricated Structural Production in Eleven States

If the above percentages of total production in eleven states are applied to the total production (tons) of structural steel it would provide a reasonable estimate of fabricated structural steel produced in the eleven states in these 2 years as follows:

|   |           |           |
|---|-----------|-----------|
| Estimated total production of fabricated structural steel (tons)..... | 1937      | 1939      |
| 2,212,814   | 2,212,814 | 2,082,050 |
| Percent in 11 States (estimated).....                                 | 14.75     | 11.2      |
| Estimated tons in 11 States.....                                      | 254,474   | 227,590   |

The census data upon which these estimates are based does not disclose the tonnage of Fabricated Structural Steel shipped into these states from outside.

U. S. Steel subsidiaries—11 States, analysis of jobs bid by both U. S. Steel and Consolidated Steel, 16 years, 1937-45—showing—by job classification—total number of jobs and tons bid by U. S. Steel, also number of these jobs and tons awarded to U. S. Steel and number of these jobs and tons awarded to Consolidated Steel

[illegible]









|    |   |   |       |    |        |    |        |    |        |     |         |       |
|----|---|---|-------|----|--------|----|--------|----|--------|-----|---------|-------|
| 10 | Miscellaneous steel works:<br>Bid by USS<br>Awarded to Consolidated<br>Awarded to USS | 2 | 57    | 2  | 1,102  |    |        |    | 1      | 340 | 13      | 4,470 |
|    |   |   |       | 1  | 905    |    |        |    | 1      | 340 | 4       | 1,851 |
| 12 | Miscellaneous materials:<br>Bid by USS<br>Awarded to Consolidated<br>Awarded to USS   | 5 | 2,474 |    |        |    |        |    |        |     | 11      | 3,325 |
|    |   | 4 | 1,934 |    |        |    |        |    |        |     | 2       | 750   |
|    | Total:  |   |       |    |        |    |        |    |        |     | 5       | 1,979 |
|    | Bid by USS  | 8 | 3,400 | 10 | 17,251 | 17 | 13,150 | 22 | 29,934 | 166 | 122,353 |       |
|    | Awarded to Consolidated   | 1 | 878   | 1  | 905    | 9  | 8,317  | 8  | 5,028  | 35  | 24,162  |       |
|    | Awarded to USS  | 4 | 1,934 | 3  | 12,119 | 2  | 550    | 7  | 13,069 | 40  | 36,931  |       |

Source: U. S. Steel Subsidiary Co. records supplemented by information from Consolidated Steel Corp.

Comparison of Consolidated Steel Corp. purchases from each steel supplier (except subsidiaries of U. S. Steel Corp.; agencies of the United States Government and suppliers for whom their total sales are not available) named in the answer to Interrogatory No. 21 with the total sales of each such supplier in the years 1937 to 1940, inclusive, and 1946.

| Vendor                                      | 1937         | 1938        | 1939         | 1940         | 1946             |
|---|--------------|-------------|--------------|--------------|------------------|
| Alani Wood Steel Co.                        |              |             |              |              |                  |
| Total net sales                             | \$15,926,724 | \$9,652,881 | \$14,742,070 | \$25,625,563 | \$25,264,000     |
| Consolidated purchases:                     |              |             |              |              |                  |
| Amount                                      | 186,496      | 31,080      | 37,060       | 271,357      | 475,430          |
| Percent of total sales                      | 1.00%        | .33%        | .25%         | 1.10%        | 1.88%            |
| Allegheny Ludlum Steel Co.                  |              |             |              |              |                  |
| Total net sales                             | 36,573,419   |             |              | 54,702,096   | 94,063,000       |
| Consolidated purchases:                     |              |             |              |              |                  |
| Amount                                      | 5,183        |             |              | 15,120       | 7,998            |
| Percent of total sales                      | .01%         |             |              | .03%         | .01%             |
| American Rolling Mill Co.                   |              |             |              |              |                  |
| Total net sales                             |              |             |              |              | 231,931,000      |
| Consolidated purchases:                     |              |             |              |              |                  |
| Amount                                      |              |             |              |              | 115,442          |
| Percent of total sales                      |              |             |              |              | .05%             |
| Bethlehem Steel Co.                         |              |             |              |              |                  |
| Total net sales                             | 423,708,863  | 271,192,673 | 414,141,087  | 602,202,618  | 787,721,000      |
| Consolidated purchases:                     |              |             |              |              |                  |
| Amount                                      | 1,954,470    | 929,959     | 1,067,463    | 2,440,615    | 2,063,933        |
| Percent of total sales                      | .46%         | .34%        | .26%         | .41%         | .26%             |
| Colorado Fuel & Iron Co.                    |              |             |              |              |                  |
| Total net sales                             |              |             |              |              | 131,864,811      |
| Consolidated purchases:                     |              |             |              |              |                  |
| Amount                                      |              |             |              | 362,533      |                  |
| Percent of total sales                      |              |             |              | 1.14%        |                  |
| Commercial Shearing & Stamping Co.          |              |             |              |              |                  |
| Total net sales                             |              |             |              | 4,512,440    | ( <sup>1</sup> ) |
| Consolidated purchases:                     |              |             |              |              |                  |
| Amount                                      |              |             |              | 6,776        | 69,726           |
| Percent of total sales                      |              |             |              | .16%         |                  |
| 1235 Detroit Steel Co. (Reliance Steel Co.) |              |             |              |              |                  |
| Total net sales                             |              |             |              |              | 16,461,000       |
| Consolidated purchases:                     |              |             |              |              |                  |
| Amount                                      |              |             |              |              | 17,941           |
| Percent of total sales                      |              |             |              |              | .06%             |

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| Company                     | Total net sales | Consolidated purchases | Amount | Percent of total sales |
|-----------------------------|-----------------|------------------------|--------|------------------------|
| Granite City Steel Co.      | 8,442,000       |                        |        |                        |
| Total net sales             | 8,442,000       |                        |        |                        |
| Consolidated purchases      |                 | 50,948                 |        | .7%                    |
| Amount                      |                 | 217,736,000            |        |                        |
| Percent of total sales      |                 | 2.6%                   |        |                        |
| Inland Steel Co.            |                 |                        |        |                        |
| Total net sales             |                 | 24,288,000             |        |                        |
| Consolidated purchases      |                 | 171,037                |        | .7%                    |
| Amount                      |                 | 247,040                |        |                        |
| Percent of total sales      |                 | 1.0%                   |        |                        |
| Jones & Laughlin Corp.      |                 |                        |        |                        |
| Total net sales             |                 | 11,528,523             |        |                        |
| Consolidated purchases      |                 | 87,981                 |        | .8%                    |
| Amount                      |                 | 127,908,731            |        |                        |
| Percent of total sales      |                 | .8%                    |        |                        |
| Lukens Steel Co.            |                 |                        |        |                        |
| Total net sales             |                 | 10,348,988             |        |                        |
| Consolidated purchases      |                 | 20,116                 |        | .2%                    |
| Amount                      |                 | 74,440                 |        |                        |
| Percent of total sales      |                 | .2%                    |        |                        |
| National Steel Co.          |                 |                        |        |                        |
| Total net sales             |                 | 11,528,523             |        |                        |
| Consolidated purchases      |                 | 20,116                 |        | .2%                    |
| Amount                      |                 | 127,908,731            |        |                        |
| Percent of total sales      |                 | .2%                    |        |                        |
| Olin Steel Co.              |                 |                        |        |                        |
| Total net sales             |                 | 11,528,523             |        |                        |
| Consolidated purchases      |                 | 20,116                 |        | .2%                    |
| Amount                      |                 | 127,908,731            |        |                        |
| Percent of total sales      |                 | .2%                    |        |                        |
| Republic Steel Corp.        |                 |                        |        |                        |
| Total net sales             |                 | 11,528,523             |        |                        |
| Consolidated purchases      |                 | 20,116                 |        | .2%                    |
| Amount                      |                 | 127,908,731            |        |                        |
| Percent of total sales      |                 | .2%                    |        |                        |
| Youngstown Sheet & Tube Co. |                 |                        |        |                        |
| Total net sales             |                 | 11,528,523             |        |                        |
| Consolidated purchases      |                 | 20,116                 |        | .2%                    |
| Amount                      |                 | 127,908,731            |        |                        |
| Percent of total sales      |                 | .2%                    |        |                        |
| Kaiser Co., Inc.            |                 |                        |        |                        |
| Total net sales             |                 | 11,528,523             |        |                        |
| Consolidated purchases      |                 | 20,116                 |        | .2%                    |
| Amount                      |                 | 127,908,731            |        |                        |
| Percent of total sales      |                 | .2%                    |        |                        |
| Total net sales             |                 | 11,528,523             |        |                        |
| Consolidated purchases      |                 | 20,116                 |        | .2%                    |
| Amount                      |                 | 127,908,731            |        |                        |
| Percent of total sales      |                 | .2%                    |        |                        |

! Not available.

Fiscal year to June 30.

Fiscal year to Oct. 15.

<sup>a</sup> Based on 70 percent of

Sources: Consolidated Steel Corp. purchases; Answer to Interrogatory No. 21, Total net sales: "Moody's Industrials".

[COMMITTEE PRINT]

79th Congress, 2d Session—Senate Subcommittee Print No. 7

**WAR-PLANTS DISPOSAL: BIDS FOR GENEVA AND SOUTH CHICAGO  
STEEL PLANTS**

**REPORT OF THE SURPLUS PROPERTY SUBCOMMITTEE OF THE COMMITTEE  
ON MILITARY AFFAIRS PURSUANT TO S. RES. 129**

May 10, 1946

Printed for the use of the Committee on Military Affairs

United States Government Printing Office, Washington: 1946

1238 **COMMITTEE ON MILITARY AFFAIRS**

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**LETTER OF TRANSMITTAL**

WASHINGTON, D. C., May 10, 1946.

HON. ELBERT D. THOMAS,

*Chairman, Committee on Military Affairs,*

*United States Senate, Washington, D. C.*

DEAR SENATOR THOMAS: I am herewith submitting to the Committee on Military Affairs copies of the bids which have been re-

ceived by War Assets Administration for the Government-owned surplus steel plants at Geneva, Utah and South Chicago, Ill. These bids, as you know, were publicly opened on May 1 at the office of the War Assets Administration.

Your Subcommittee on Surplus Property Disposal has, with your cooperation, devoted considerable attention to the transfer into private hands of Government-owned steel plants. Two reports (S. Rept. No. 199, pts. 1 and 3) have been submitted detailing the economic factors to be considered in the disposal of surplus steel plants, and particularly of the Geneva, Utah, plant. This plant is not only the largest steel plant constructed by the Government during the war, but constitutes the largest Government investment in any single surplus industrial facility (about \$200,000,000). The Government's South Chicago plant represents an investment of about \$92,000,000.

It is gratifying to note that the majority of the bids appear to have given careful consideration to the factors discussed in the afore-mentioned reports. The wealth of economic data contained in the bids for the Geneva plant regarding the size of postwar western steel markets, the types of steel products which will be in demand, the need for additional investments in the Geneva plant, pricing policies to be followed in western markets, freight-rate problems affecting the Geneva plant, etc., more than justify their publication in full. Transcending this consideration, however, is the fact that the decision with respect to the disposal of the Geneva plant is of far-reaching importance not only for the bidders and the people of the Western States, but for the structure of the national economy as a whole.

The disposal of the South Chicago plant will likewise have an important impact on peacetime steel production, particularly in the field of alloy steel.

The policy to be followed by War Assets Administration in the disposal of these plants were laid down by Congress in the Surplus Property Act and were particularized in the report of the Surplus Property Administrator to Congress under section 19 of the act.

It is the belief of the subcommittee that the publication in full of the bids will facilitate careful congressional and public scrutiny of the vital decisions shortly to be reached by War Assets Administration.

Sincerely yours,

JOSEPH C. O'MAHONEY,  
*Chairman, Surplus Property Subcommittee.*



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## I. Bids for Geneva, Utah, steel plant:

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2. Blue Star Enterprises, Inc., Salt Lake City, Utah.
3. Colorado Fuel & Iron Corp., Denver, Colo.
4. Pacific-American Steel Iron Corp., Seattle, Wash.
5. Riley Steel Co. (Fred Riley Co.), Los Angeles, Calif.
6. United States Steel Corp., New York, N. Y.
7. Warshaw, J. S., New York City.

## II. Bids for South Chicago, Ill., steel plant:

1. Depue, C. A., Clinton, Iowa.
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3. Republic Steel Corp., Cleveland, Ohio.

Appendix 1: Advertisements for Geneva and South Chicago plants.

Appendix 2: Proceedings on occasion of opening of bids.

## 1241 WAR PLANTS DISPOSAL: BIDS FOR GENEVA AND SOUTH CHICAGO STEEL PLANTS

## I. BIDS FOR GENEVA, UTAH, STEEL PLANT. (PLANCOR 301)

## 1. BID FROM ASSETS RECONSTRUCTION CORP., LTD.

ASSETS RECONSTRUCTION CORPORATION, LTD.

LOS ANGELES, CALIF.

PROPOSAL (BID) TO PURCHASE

APRIL 30, 1946.

## WAR ASSETS ADMINISTRATION,

*Surplus Property Board, Washington, D. C.*

GENTLEMEN: Proposal (bid) to purchase the Geneva Steel plant in Geneva, Utah, subsidiary coal mining plant, fee land and leasehold rights and all facilities in relation to such properties known and designated as Plancor 301.

|  |                |
|--|----------------|
| "As is" payable upon execution of purchase contract-----   | \$38, 750, 000 |
| Additional plant facilities proposed to be installed within approximately 5 years to make of the Geneva plant an integrated steel plant-----   | 37, 500, 000   |
| Proposed additional plant facilities to be installed-----  | 18, 000, 000   |
| Proposed control and acquisition of cooking coal and iron ore property with developed and probable tonnage sufficient to last the Geneva plant in excess of 70 years, having a reasonable value after appropriating \$2,500,000 for installation of further facilities at the University of Utah, of---- | 17, 500, 000   |

This proposal to purchase the Geneva steel plant "as is" and to add additional facilities and make available for its use adequate coking coal and iron ore properties situate in the State of Utah will in no way create or tend to create a monopoly either in ownership or

control of markets of the steel industry. Pricing policy—Production cost plus reasonable profit.

Very truly yours,

ASSETS RECONSTRUCTION CORP., LTD.,  
AND ASSOCIATES.

R. E. CLAPP, *President.*

1242 2. BID FROM BLUE STAR ENTERPRISES, INC., SALT LAKE CITY, UTAH

(Withdrawn)

3. BID FROM THE COLORADO FUEL & IRON CORP.

LETTER OF TRANSMITTAL ACCOMPANYING PROPOSAL

THE COLORADO FUEL & IRON CORP.,

*Denver, Colo., May 1, 1946.*

WAR ASSETS CORPORATION, *Washington, D. C.*

SIRS: The Reconstruction Finance Corporation, a disposal agency designated by the Surplus Property Administration, in its circular, dated December 17, 1945, invited sealed bids or proposals for the purchase or lease of the Geneva steel plant, including the coal mines, ore-mining and quarry facilities, interchange yard, and all utility, transportation, and other property and facilities therein set forth.

Believing that it possesses the operating and technical staff, the sales organization, the administration and engineering personnel, and the experience gained over a period of 65 years in the operation of an integrated steel plant, including coal mines, iron mines, and other necessary facilities and the marketing of the diversified products in the same purchasing and consuming area served by Geneva; and

Believing that properly financed and efficiently managed the Geneva steel plant can contribute to the development of the rich iron and coal deposits in the West and be made an important adjunct in the development of western industries and of the national defense and, at the same time, make a vital contribution to the economy of our Nation;

The Colorado Fuel & Iron Corp. does hereby submit the accompanying proposal for the leasing of the Geneva steel plant.

Such proposal contemplates the creation by C. F. & I of a new corporation with a working capital of approximately \$25,000,000 to take over the operation of the plant. It calls for the prompt installation of facilities for the manufacture of sheet, tin plate, and other marketable products and the leasing of it to such new

corporation at a rental basis of \$2 for each ton of finished steel therein produced, for a term not less than 15 years, with an option to purchase it at a price to be fixed by an impartial board of appraisers, but with an assured price to the Government of not less than \$80,000,000.

Of the accompanying documents, part I contains the proposal and part II, an explanation thereof. These are and should properly be considered public documents. There has been prepared certain research and statistical data relating to the manufacture and marketing of steel in the territory affected which we believe should be before you. These are embodied in parts III to VI, inclusive. The information contained therein is confidential, and we respectfully request that it be treated as such.

Should the proposal merit your further consideration, the undersigned is prepared to make such additions and modifications thereto as may be reasonable.

Respectfully yours,

THE COLORADO FUEL & IRON CORP.,  
By E. PERRY HOLDER, *President*.

#### 1243 PROPOSAL TO LEASE GENEVA STEEL PLANT, GENEVA, UTAH

By the Colorado Fuel & Iron Corp.

##### FOREWORD

The proposal for leasing the Geneva steel plant, at Geneva, Utah, has been prepared in accordance with circular issued December 17, 1945, by the Reconstruction Finance Corporation, Surplus Property Division.

This proposal for leasing and operating the Government-owned steel plant at Geneva, Utah (hereinafter to be referred to as the Geneva steel plant), is submitted in three parts, as follows:

Part 1. Proposal.

Part 2. Explanation of proposal.

Part 3. Substantiation of proposal and responsibility of bidder.

Paragraph C of the Guide for Preparation of Bids or Proposals, dated December 17, 1945, defines the basis that has been used for this proposal. Variations from the RFC Guide take into account the outline of policy established in the report to Congress of October 8, 1945, of the Surplus Property Administration on disposal of Government iron and steel plants, and such economic considerations as were necessary in projecting a sound, long-range development program for the Geneva steel plant and its proper place in the economy of the expanding West.

The report of the Arthur G. McKee Co., Cleveland, Ohio, prepared for Reconstruction Finance Corporation, submitted August 30, 1945, and October 24, 1945, has also been used as a guide in the preparation of this proposal.

#### PART ONE

NOTE.—References marked with an asterisk (\*) refer to data relating to manufacture and marketing of steel in the territory affected, embodied in parts III to VI of this proposal, are on file in the Iron and Steel Branch of the War Assets Administration in Washington. The Colorado Fuel & Iron Corp. has requested that these parts be treated as confidential.

The Colorado Fuel & Iron Corp. proposes a leasing arrangement for the continued operation of the Geneva steel plant, located at Geneva, Utah, upon the basis and terms hereinafter outlined:

#### NEW CORPORATION

1. The Colorado Fuel & Iron Corp. proposes to form a new corporation, to be known as the Geneva Steel Co. (or such other name as may be available), having a capitalization of \$25,000,000 in 5 percent cumulative preferred stock, and 5,000,000 shares of common stock of no par value, but to be issued at a nominal price. All of the common stock is to be issued to the Colorado Fuel & Iron Corp., but a substantial portion thereof will be sold with the preferred stock at actual cost to C. F. & I. The preferred stock shall have preference as to earnings and as to assets upon dissolution, whether voluntary or involuntary, and full preference as to all cumulative dividends, and shall be callable at 105 percent of its par value. The articles of incorporation shall contain a provision that no dividends shall be paid upon the common stock until all cumulative dividends due upon the preferred stock shall have been paid in full. Voting rights shall be vested solely in the common stock, except that in the event of the failure to pay dividends for six quarterly periods, the preferred stockholders voting as a class shall be entitled to elect two directors.

It is proposed that the preferred stock be sold to the public through appropriate facilities in an amount approximating \$25,000,000, which it is estimated will be the amount required for working capital.

If at the time when the corporation shall be ready to make a public offering of its preferred stock the market condition in general, or political, financial, or economic conditions shall in the opinion of the underwriters of such issue render it inexpedient or inadvisable at the time to proceed with such public offering, then the Reconstruction Finance Corporation shall make a temporary loan to the company in such amount as shall be necessary



to provide adequate working capital; such plan to be for such time and on such terms as shall be reasonable and as shall be fixed by the Reconstruction Finance Corporation.

2. That the immediate transfer of the Geneva steel plant operations to the new corporation be made by transferring operating control to the Geneva Steel Co., Inc., and executing an interim contract for its operation under the same terms and conditions as the present existing contract, and that said Geneva Steel Co., Inc., shall continue to operate the Geneva steel plant in accordance with the terms of said contract until such time as the additional facilities hereinafter mentioned have been completely installed and are ready for operation.

#### NEW PRODUCING FACILITIES RECOMMENDED

3. It is proposed that the Reconstruction Finance Corporation undertake as a part of this proposal to install additional finishing facilities at the Geneva steel plant in an amount totaling \$47,935,000\* (as outlined in pt. III, vol. I, exhibit 3).<sup>\*</sup> In substance said additional facilities shall be constituted of the following items:

| <i>Recommended additional facilities</i>                             | <i>Estimated cost</i> |
|--|-----------------------|
| Conversion of plate mill.....  | \$8,900,000           |
| Sheet and tin-plate facilities.....                                  | 25,225,000            |
| Railroad rails (60-pound and heavier).....                           | 4,300,000             |
| Railroad tie plates and angle bars.....                              | 1,000,000             |
| Railroad car-axle plant.....   | 2,100,000             |
| Railroad car-wheel plant.....  | 3,150,000             |
| 1 additional battery of soaking pits.....                            | 375,000               |
| Tar distilling plant.....  | 450,000               |
| Additional electrical generating facilities.....                     | 1,925,000             |
| Revamped coke handling and sinter handling.....                      | 425,000               |
| Gas blending and new gas mains.....                                  | 75,000                |
| Alterations and additions to structural finishing end equipment..... | 50,000                |
| General plant facilities.....  | 1,300,000             |
| Total.....   | 47,935,000            |

It is estimated that a minimum of 1,000 men and a maximum of 1,500 men will be employed for approximately 2 years, representing 6,000,000 man-hours required for installation of this equipment. (See pt. III, vol. I, exhibit 5, manpower.)

4. The Reconstruction Finance Corporation shall irrevocably bind itself to promptly complete the additional facilities hereinabove mentioned, otherwise proper indemnity shall be provided to be paid unto the Colorado Fuel & Iron Corp., or the Geneva Steel Co., Inc., for any expense which it may have undertaken in connection with this proposal.



1245 5. In addition to the foregoing plan, the agreement with Geneva Steel Co., Inc., shall also provide, among other things, for the following terms:

The Reconstruction Finance Corporation shall furnish all necessary funds in order to carry out the engineering and installation of the additional facilities and shall make suitable agreements with respect to necessary changes or alterations in the installations of said facilities, as may be necessary from time to time. The Geneva Steel Co., Inc., shall, from time to time, through appropriate means, advise the Reconstruction Finance Corporation in writing as to the details of engineering and other factors as to the additional facilities which it is proposed to purchase and install for the purpose of completing the diversification and expansion of facilities at the Geneva steel plant.

6. In connection with the engineering and installation of the additional facilities, the Geneva Steel Co., Inc., agrees hereby to comply with and give all stipulations and representations required by any and all applicable Federal, State, or local laws and further agrees to require such requirements, stipulations, and representations with respect to any subcontract entered into by it with others under such engineering and installation programs.

7. It is proposed that orders be placed as promptly as possible for the additional facilities and equipment needed under the additional facilities program.

8. If for any reason the Reconstruction Finance Corporation shall fail to promptly proceed and facilitate the engineering and installation of the additional facilities to which reference is hereinabove made then in that event, the Geneva Steel Co., Inc., and/or the Colorado Fuel & Iron Corp. is hereby given the right, privilege, and option, upon 30 days' notice to the Reconstruction Finance Corporation, to thereupon discontinue all operations of any nature whatsoever at, or in connection with, said plant and shall be thereupon entitled to liquidate its working capital as promptly as possible and shall be allowed a minimum of 90 days in which to recover the working capital by the sale or other disposition of any and all inventories and other properties in which said capital may be then invested, and in the event said working capital cannot be economically and feasibly withdrawn by the Geneva Steel Co., Inc., or the Colorado Fuel & Iron Corp. within said period, then the Reconstruction Finance Corporation hereby agrees to cooperate fully with said companies to enable them to recover their working capital as promptly as possible.

9. It is proposed that the executive and technical staff of the Colorado Fuel & Iron Corp. will be utilized by loaning a portion of their time to supervising the engineering and installation of

the additional facilities hereinabove mentioned, and, during such engineering and installation period, the portion of their time devoted to said project and their expenses shall be paid for by the Geneva Steel Co., Inc., at the same rate as salaries or other remuneration is paid to said staff on the pay roll of the Colorado Fuel & Iron Corp.

#### ACCOUNTING METHODS

10. Said lease arrangement between the Reconstruction Finance Corporation and the Geneva Steel Co., Inc., shall also provide that the Geneva Steel Co., Inc., shall maintain adequate 1246 accounting methods as to production from said plant and facilities and any and all other products manufactured and/or furnished by said Geneva Steel Co., Inc., through the use of the plant and facilities concerned therein, and agrees to make available to the Reconstruction Finance Corporation, for a period of at least 1 year after the expiration of the term of said lease, whether by termination or by expiration of time, its records pertaining to the acquisition of the plant and facilities and the operation thereof and the Reconstruction Finance Corporation shall have the right and privilege at any and all reasonable times to inspect the site and facilities, buildings, machinery to be provided, and also as to any and all books and documents of said Geneva Steel Co., Inc.

#### RAW MATERIALS

11. The Colorado Fuel & Iron Corp. hereby undertakes to contract with Geneva Steel Co., Inc., to supply the new corporation its requirements of iron ore and such other raw materials as the Colorado Fuel & Iron Corp. may be able to supply.

#### RENTAL

12. It is proposed that the present facilities already installed have an economic or operating value of \$18,365,350. The total of the existing facilities plus the estimated cost of the proposed additional facilities is \$66,300,350. The basis used in determining this economic value is the average investment per ingot-ton for the steel industry as a whole for the 10-year period 1933 through 1944. (See pt. III, vol. I, exhibit 1, sheet 2.)\*

13. It is proposed that \$2 per net ton of finished steel product sold will be paid by the Geneva Steel Co., Inc., as rental to the Reconstruction Finance Corporation, said rental to be payable commencing immediately upon completion of the installation of all of the additional facilities, and not before. (See pt. III, vol. I, exhibit 1, sheet 2.)\*

## TERM OF LEASE AGREEMENT

14. Subject to all of the provisions herein, it is expressly proposed that the agreement of lease from the Reconstruction Finance Corporation to the Geneva Steel Co., Inc., shall be for a term of not less than 15 years, not more than 25 years, subject to all other provisions of this proposal.

## WORKING CAPITAL

15. Except as to the engineering and installation of the additional facilities and the cost thereof, it is proposed that the Geneva Steel Co., Inc., (subject only to the provisions for temporary financing referred to in par. 1 hereof) shall furnish all necessary working capital to operate said plant after the completion of engineering and installation of the additional facilities by sale of the preferred stock to which reference is hereinbefore made, and under no circumstances shall the Colorado Fuel & Iron Corp. or the Geneva Steel Co., Inc., be required to provide any working capital in connection therewith except as hereinabove outlined.

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## COST AND EXPENSES AS TO TAXES

16. It shall also be a provision of the lease agreement that all costs and expenses as to taxes of any nature whatsoever, whether ad valorem or upon production or in any other manner, assessed directly against the plant and the facilities hereby leased and the operation thereof, shall be solely for the account of the Reconstruction Finance Corporation and shall in no event whatsoever be chargeable to, or payable by the Geneva Steel Co., Inc., or the Colorado Fuel & Iron Corp.

## INSURANCE FOR LOSS OR DAMAGE OF FACILITIES

... It shall also be an express provision of the proposed lease from the Reconstruction Finance Corporation to the Geneva Steel Co., Inc., that, except as herein otherwise specifically provided, the Geneva Steel Co., Inc., shall not be required, nor shall it be responsible, for loss or damage of any kind whatsoever to any or all of the plant facilities which may be caused by acts of God, or causes beyond the reasonable control of the Geneva Steel Co., Inc., and it shall be expressly stated that the Reconstruction Finance Corporation shall, at its own cost and expense, provide such insurance as may be necessary, or advisable in order to properly reimburse it for such losses as may be incurred in connection therewith.

## LIABILITY INSURANCE

18. The Geneva Steel Co., Inc., shall agree in said lease agreement, to save the Reconstruction Finance Corporation harmless against any and all liability whatsoever on account of accidents or injuries to persons or property (except as herein specifically set forth) which may occur in the operation of said Geneva steel plant or the use or operation of the machinery or facilities in connection therewith. The Geneva Steel Co., Inc., shall specifically agree to procure and maintain, and pay the entire cost thereof, during the term of said leasing arrangements or any extension thereof, public liability insurance, workmen's compensation insurance, and such other liability insurance as may be specifically agreed upon from time to time, but shall always be subject to the right of the Geneva Steel Co., Inc., to refuse to pay any and all charges in connection with any such additional insurance except by and with its own consent. Any and all such insurance policies shall provide that they shall be subject always to the inspection and approval or rejection of the Reconstruction Finance Corporation.

## CARE IN OPERATION

19. Said lease agreement shall also provide that Geneva Steel Co., Inc., will at all times use reasonable care in the use and operation of the plant and facilities to be provided under said agreement, and shall keep the same in good state of repair (ordinary wear and tear and damage and destruction due to causes beyond the control of said Geneva Steel Co., Inc., and acts of God are specifically excepted) and upon the expiration, termination, or cancellation of said agreement or any extensions thereof, 1248 the Geneva Steel Co., Inc., shall agree to forthwith yield and surrender unto the Reconstruction Finance Corporation all of the plant and facilities and all the machinery concerned under said lease arrangements, free of any liens, claims, or other liabilities other than those specifically provided for herein, and other than those relating to and resulting from claims against the Reconstruction Finance Corporation and if any of the plant or facilities shall not be so surrendered, then and in that event the Geneva Steel Co., Inc., shall be responsible and liable therefor. If and when the Geneva Steel Co., Inc., shall yield possession of the plant and facilities at Geneva, upon the expiration, termination, or cancellation of this agreement, all taxes, assessments, utility charges, insurance premiums, and other expenses provided for hereunder, or under said lease arrangements, shall be prorated between the parties hereto and paid accordingly.



## COMPLIANCE WITH LAWS

20. In carrying out the terms and provisions of said lease arrangement and in the operation of said Geneva steel plant and of the additional facilities and machinery to be installed, the Geneva Steel Co., Inc., shall agree to comply with all applicable State, municipal, local, and Federal laws and all rules, orders, regulations, and requirements of any department or bureau thereunder, and all local ordinances and regulations, and further shall agree to indemnify and hold harmless said Reconstruction Finance Corporation from any liability or penalty which may be imposed by local or State authorities or any departments or bureaus thereof, by reason of any violations by the Geneva Steel Co., Inc., of any of said laws, rules, orders, ordinances, or regulations: *Provided, however,* That nothing therein contained shall prevent the Geneva Steel Co., Inc., from contesting in good faith the applicability or validity of any such claims or liabilities.

## FAILURE TO PERFORM

21. Said lease arrangement shall also provide that, regardless of any other provisions therein contained to the contrary, the said Geneva Steel Co., Inc., shall not be charged with, nor chargeable with failure to perform or observe any of the covenants or conditions of said agreement to the extent that it may be prevented from so doing by any causes of whatsoever nature which may be beyond its reasonable control.

## ADDITIONAL PROVISIONS FOR RIGHTS

22. It is anticipated that additional provisions will probably be necessary for the protection and preservation of the rights of both the Reconstruction Finance Corporation and Geneva Steel Co., Inc., with respect to operation of said Geneva steel plant, and it is, therefore, proposed that such additional provisions as may be necessary in that connection shall be agreed upon before final execution of the terms of said lease agreement, and that the Colorado Fuel & Iron Corp. hereby pledges, insofar as it may be concerned, to agree to and assent to any and all additional reasonable provisions which may be necessary in that connection.

## OPTION TO PURCHASE

23. The lease shall contain an option to the lessee granting to it the right to purchase the land, building, equipment, and all other property belonging to the lessor at a fair valuation. Upon the giving of notice by the lessee of a desire to



exercise such option the lessee shall name one person as an appraiser of such property; within 30 days thereafter the lessor is to name one person to appraise such property, and the two so named shall within 30 days thereafter name a third person to act with them. The decision of a majority of such appraisers fixing the fair valuation shall be binding upon both parties: *Provided, however, That* in no event shall the price be fixed at less than \$80,000,000 if such appraisal is made within the first 5 years, and at such figure less proper depreciation if the appraisal is made thereafter.

Dated April 30, 1946.

THE COLORADO FUEL & IRON CORP.,  
By E. PERRY HOLDEN, *President*.

#### SUPPLEMENTARY INFORMATION AND CONSIDERATIONS

##### EMPLOYMENT

1. A detailed estimate of the number of employees that will be required to operate the Geneva steel plant is shown. (In pt. III, vol. I, exhibit 5, sheets 1, 2, 3, and 4.)\*

##### FINANCIAL QUALIFICATIONS

2. The Colorado Fuel & Iron Corp. can furnish adequate evidence of the financial strength necessary to successfully operate the Geneva Steel Co., Inc. (See annual reports which follow.)\*

##### PRODUCTION EXPERIENCE

3. The Colorado Fuel & Iron Corp., has operated an integrated steel plant for the past 65 years, including coal mines, iron mines, limestone and dolomite quarries, fluorspar mines, coke and byproduct recovery plant, blast furnaces, open-hearth furnaces, rolling mills, wire mills, foundaries, and other necessary facilities for the making of steel. (See pt. III, vol. IV, Sec. IV, story of C. F. & I and exhibit 11, Production.)\*

4. The Colorado Fuel & Iron Corp.'s experienced operating and technical staff, with a full knowledge of steel making processes, using western materials, is ready to form an organization to operate the Geneva steel plant, and to expand its facilities for future operations.

##### SALES EXPERIENCE

5. The Colorado Fuel & Iron Corp.'s sales organization, already established in Western States, can begin immediate sale of Geneva's

products. This includes C. F. & I.'s subsidiary, The California Wire Cloth Corp., which has plants in California and has served the Pacific coast for many years. (See pt. II, p. 5 and exhibits in appendix, also pt. III, vol. IV, exhibit 11, Railroad, Fuel and Byproducts, Commercial and Export.)\*

#### MARKET EXPERIENCE

6. The Colorado Fuel & Iron Corp. has surveyed western markets for peacetime products that could be manufactured at Geneva, and its survey data is also available for immediate use. (See pt. III, vol. IV, exhibit 11, Market Research.)\*

1250 The Colorado Fuel & Iron Corp. has an immediate outlet for Geneva's coal chemical products.

#### ADMINISTRATIVE EXPERIENCE

7. The Colorado Fuel & Iron Corp.'s experienced administrative personnel will bring fully qualified supervisory ability to the new corporation.

#### ENGINEERING EXPERIENCE

8. The Colorado Fuel & Iron Corp.'s engineering department has studied the Geneva plant and the type of machinery and equipment needed to convert the operation to products that can be used in Western States. (See pt. III, volume IV, exhibit 11, Engineering.)\*

#### CERTIFICATION OF INTENT

9. The Colorado Fuel & Iron Corp. certifies that it will endeavor, through its management of the Geneva Steel Co., Inc., to operate the plant at the highest capacity, and will make every effort to sell the finished products of this plant on the most profitable basis.

#### SCHEDULE OF PRODUCTION

10. A table has been prepared showing the estimated distribution of products recommended for manufacture at the Geneva steel plant, in the primary development stage, and for subsequent stages of development. (See pt. III, vol. I, exhibit 1, sheet 1.)\*

#### POTENTIAL EARNINGS

11. Because of many uncertain factors, such as the level of future steel prices, labor rates, freight rates, the progress of industrial development of Western States in utilizing Geneva's

production, variations in the economic cycle in future years, and other important considerations make it impossible to arrive at an accurate estimate of Geneva's future potential earnings.

The best over-all measurement of the economic possibilities of the plant from an earnings standpoint, can probably be made by a comparison of the average earnings of the steel industry for the years 1935 through 1944, which included 5 years of peace and 5 years of war-time operation. The average net earning of the 10-year period was \$3.81 per ton (as shown in pt. III, vol. 1, exhibit 1, sheet 3)\*

#### BASIC NEED OF GENEVA PLANT

There is a need for the Geneva plant as an important adjunct to the complete development of western resources and as a vital contribution to the economy of the Nation. The decision to perpetuate the plant by the addition of additional manufacturing facilities must be based on this need, as well as the strategic importance of the plant for national defense.

#### PRICING POLICY

12. The initial pricing policy of the Geneva Steel Co., Inc., will take into full account not only the problem of establishing this new western steel producer on a sound economic basis, 1251 but will also give consideration to the related problems of steel consumers, fabricators and jobbers.

#### DEVELOPMENT OF MARKETS

13. Plans contemplated for developing additional consuming markets are shown (in pt. III, vol. I, exhibit 2, and other exhibits in this volume).\*

#### PRESERVATION OF FACILITIES

14. The new facilities for the Geneva Steel Co., Inc., have been planned so that with minimum changes the plant could be reconverted to produce at capacity the product range for which it was originally designed.

Since it is the intention of the lessee to see that all facilities of the existing plant and the proposed new plant are properly maintained, and kept in the best of repair, it must be assumed that the plant can be fully utilized in the event of any future emergency.

#### WIDER RANGE OF PRODUCTS

The value of the Geneva plant, in the event of a future emergency, will be greatly improved by the diversification of products

recommended in this proposal. A much greater degree of flexibility of operation could be obtained, and a much wider variety of essential materials could be produced that would serve a vital war need.

#### WAR AND PEACETIME NEED

The C. F. & I. plan of recommended facilities for the Geneva plant is fully in accord with the decision reached at the Army Industrial College Seminar, described in the February 18, 1946, issue of Steel Magazine. The conclusions of the Seminar meeting which was attended by high ranking military authorities and representatives of the iron and steel industry, were that the United States iron and steel industry should be prepared to meet all future military requirements. There was general agreement that the concentration of the steel industry in the Pittsburgh and Chicago districts represented a serious defense problem for the future, and that it was essential to keep alive facilities, such as the Geneva plant, which are entirely outside the congested areas.

C. F. & I.'s proposed expenditure for new facilities at the Geneva plant has been considered carefully, not only from the standpoint of equipping the plant to produce products needed in the development of Western States, but also a variety of products that could be utilized to full advantage in the event of a national emergency.

#### USE OF EXISTING FACILITIES

15. A schedule showing existing facilities which it is estimated will be required to produce products that can be distributed in Geneva's logical market area prior to the time new facilities have been installed and ready to operate, has been shown (in pt. III, vol. I, exhibit 1, sheets 4 and 5).\*

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#### PROPOSED NEW FACILITIES

16. The proposed location of additional producing facilities, and changes to existing facilities, are shown in detail on three prints, described as follows:

L-1722 General plan of Geneva steel plant.

L-1723 Plan showing facilities for car axles, car wheels, rail and rail fastenings.

L-1724 Plan showing facilities for plate, strip, sheet, galvanized sheets, and tin plate.

(The prints are included in pt. III, vol. I, exhibit 3. Engineering description of the proposed changes and recommended new facilities is also shown in this exhibit.)\*



## FACILITIES NOT NEEDED DURING CONVERSION

17: The present producing facilities at the Geneva steel plant will be utilized as shown in the development program outlined in this proposal. The degree of utilization will depend on the availability of manpower, equipment, etc., and the facilities that will not be needed until full operation has been attained are also shown (in pt. III, vol. I, exhibit 1, sheets 4 and 5).\*

## DISPOSAL OF INVENTORIES

18. The proposed method of disposition of salable inventories and usable inventories at the Geneva steel plant is described (in pt. III, vol. I, exhibit 1, sheet 6).\*

## PART TWO

## EXPLANATION OF PROPOSAL

The formation of a new corporation, to be called the Geneva Steel Co., Inc., is proposed for the following reasons:

1. A new enterprise depends upon acceptance by the public—that is why a new corporation, in which the public may participate as part owner, is necessary.

If the public is desirous of fostering the steel industry in the West, and believes that Geneva is one of the vehicles well suited to this purpose, the public should, regardless of who operates Geneva, become a substantial investor, both from the standpoint of ownership and as a purchaser of its products and in fostering its future growth. The job cannot be done by an operating company alone—it requires the entire support of both the body politic and civic.

2. The development program which will be required to establish Geneva as an important steel-producing center in the West, is of such magnitude and importance, and affects so many western interests—public, labor, industry, and Government—that nothing less than a separately organized corporation, adequately financed and capably managed, will meet the requirements of this tremendous task.

3. So that a fair evaluation of performance can be made, it is important that a separate corporation with its own accounts and records, be established.

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4. The Geneva steel plant should be leased to the proposed new corporation immediately for the following reasons:

Although considerable data have been furnished to prospective bidders, it will be impossible to complete engineering plans and



long-range programs for efficient distribution of Geneva's products, until such time as the plant has been transferred to the new corporation.

While the present operator does not compete with the Geneva steel plant in the sale of pig iron, it does own a blast furnace at Provo, Utah, which in the future could conceivably compete with the Geneva operation.

The Colorado Fuel & Iron Corp. has proposed on several occasions that the Geneva steel plant be leased to a private operator, while time permitted the avoidance of difficulties and added costs which now confront any operator who takes over this plant. Further delay will add to the difficulties and will cause additional unnecessary costs.

5. Further delay will also seriously retard the conversion program of the West. We have previously stated that—

Losses will be minimized and conversion of the Geneva plant to a sound economic basis of operation will be speeded up if machinery and equipment orders are placed as soon as possible. The need is so urgent that priority scheduling of the machinery and equipment for these mill facilities should have thorough consideration.

The situation has become more serious and greater urgency exists today than when Colorado Fuel & Iron made this statement on June 14, 1945.

6. In June 1945 the following statement was also made:

Prompt installation of these facilities is urged also to avoid the loss of skilled and other personnel, which might occur if the plant was shut down.

Most of the skilled, supervisory, and other personnel have now left the Geneva plant. The rebuilding of personnel must be undertaken at once if the plant is to be operated.

7. The Geneva Steel Co., Inc., in order to operate successfully for 50 years or more must have adequate supplies of raw material to produce steel and other products. This is the reason why the Colorado Fuel & Iron Corp. has proposed to contract with the Geneva Steel Co., Inc., to supply its raw-material requirements.

8. The Colorado Fuel & Iron Corp., the largest owner of high-quality iron ore deposits in the State of Utah, is ready to utilize its reserves for this operation.

9. The Colorado Fuel & Iron Corp. knows western mining methods. This information is immediately available for the Geneva operation.

Colorado Fuel & Iron has had long experience in producing coke for blast-furnace operations. This knowledge, which can be applied to Geneva's operations, must be given full consideration. (See The Western Steel Industry, June 1944.)

10. The Colorado Fuel & Iron Corp. proposes that its trained sales organization and established distribution facilities shall be utilized to the fullest possible extent to merchandise, efficiently and profitably, all the products of the new corporation.

11. The Colorado Fuel & Iron Corp.'s district sales offices, staffed with competent, trained, and experienced personnel, are prepared to immediately begin aggressive solicitation of every market in which the products of the Geneva plant can be sold profitably. Warehouses, strategically located, adequate in size, and known to the trade, are immediately available to stock and serve all western industry with the products of the new corporation.

12. This sales organization, backed by established facilities, comprehensive market research, and competent and aggressive sales management is now in the field ready to provide complete sales coverage and an intelligent sales promotion of Geneva products in important western markets.

13. The Colorado Fuel & Iron Corp. has anticipated the need for the additional sales organization that will be required to distribute the products of the Geneva plant. An expanded steel sales training program, initiated in mid-1945, has already trained many skilled sales representatives. Steel salesmen and sales engineers that are thoroughly trained in selling methods, market developments, and steel manufacture are immediately available for assignment to the Geneva sales organization.

14. The steel sales training program is continuing to enroll new classes each month in order that every district sales office may be staffed with the trained sales personnel necessary to sell the multitude of steel products that the Pueblo plant and the Geneva plant will distribute throughout the West. In addition to training new salesmen, former district sales managers and sales representatives returning from service in the armed forces are being thoroughly retrained. It is worthy of note that 95 percent of all Colorado Fuel & Iron sales employees in the service have returned to employment with the company.

15. In short, the Colorado Fuel & Iron Corp. now has an expanded sales organization, carefully trained in western selling methods, capable of distributing all output of the Geneva plant through district sales offices and steel warehouses already established.

## 4. BID FROM PACIFIC AMERICAN STEEL IRON CORP.

PACIFIC AMERICAN STEEL IRON CORP.,  
Washington, D. C., April 22, 1946.

## BIDS FOR GENEVA STEEL PLANTS

LA. Gen. EDMOND B. GREGORY,  
Chief, War Assets Corporation.

*Railway Retirement Building, Washington, D. C.*

DEAR SIR: We hereby beg to tender our bids for the Geneva steel plants as described in Planco No. 301-a-b-c-d-e—cost given as \$202,493,208.

We bid 20 percent of this cost, \$40,498,642—payable over a period of 20 years, with interest at the rate of 2 percent per annum.

In connection with this bid we require a loan of \$25,000,000 for purchase of tin-plate mill and alteration of present steel-mill units for peacetime trade manufacture.

OR

We propose the Government turn over to our organization the Geneva steel plants, provide the additional \$25,000,000—remain in partnership with us and receive from earnings the entire amount of the people's money here invested—\$202,493,208—plus interest at the rate of 2 percent per annum after 3 years.

The operation would be in charge of Mr. Jay J. Seaver, president of the Seaver Engineering Co., his record attached.

A few reasons out of many for the above offers are given in the attached memo.

Respectfully submitted.

PACIFIC AMERICAN STEEL IRON CORP.,  
Per HENRY S. LANDAHL, *Secretary*.

## RE GENEVA STEEL PLANT

The best interests of the Nation require that this plant construction be taken over by western men, thus making removal of this steel plant to the East, or converting the same into scrap over the years, an impossibility.

We hold that it is of paramount interest to the Nation that this steel plant be given a fair chance to operate under management with only Pacific coast interests.

We think it only fair and just that the large eastern steel companies confine their operations strictly to the East and that we of the West be given a free hand to operate independent plants,

using our native raw materials, unhindered by men whose major interests and activities have for over three-quarters of a century been confined to the East.

We strongly recommend this equable apportioning of activities, particularly as eastern operators appear to have a peculiar ability to make outstanding failures of just about everything they attempt to put their hands to in the West. Whether such failures are by design or merely stem from stupidity matters but little—results of their operations in the West have been uniformly disastrous to the Nation.

Our Tacoma-Geneva operation in the West, with the Fontana plants in the Southwest will provide the Pacific coast with low-cost iron and steel and give the Nation a well-balanced industry—East and West—each with ample room for its activities and abilities.

PACIFIC AMERICAN STEEL IRON CORP.,  
Per HENRY S. LANDAHL, *Secretary*.

#### ENGINEERING

Our work will be in charge of Mr. Jay J. Seaver, president, Seaver Engineering Co.

Mr. Seaver was vice president of Arthur G. McKee & Co. for 16 years; also vice president of H. A. Brassert & Co. for 13 years and lately vice president of Day & Zimmermann, Inc., now organizing his own engineering company.

During the war Mr. Seaver dismantled, packed for shipment, and reerected the following plants:

One 500-ton blast furnace and equipment from Joliet, Ill., to Minnesota.

One 500-ton blast furnace and equipment from Joliet, Ill., to Provo, Utah.

1256 One 350-ton blast furnace and equipment from St. Louis to Monclova, Mexico.

Mr. H. A. Brassert has offered to assist in our program to create an industrial development in the West.

#### 5. BID FROM RILEY STEEL (FRED RILEY CO.)

FRED RILEY CO.,  
7105 SOUTH ALAMEDA STREET,  
Los Angeles 1, Calif.



## OUR PROPOSAL FOR THE PURCHASE AND OPERATION OF THE GENEVA STEEL PLANT ON A FIRM YEARLY PAYMENT AND OPERATIONAL BASIS.

Our total bid is the sum: \$222,607,840.

Our firm yearly payment is: \$12,367,102.22.

FRED RUSSEY, President.

Our bid is predicated on an annual production which will be reached in 2 years after date of receiving the plant, including the installation of three additions we intend to make. The annual production and the bid are both based on 750,000 tons of production of all classes of merchandisable products (see chart marked "Proposal 7b" p. 17):

|  |                       |
|--|-----------------------|
| The bid, based on this production, allows us to pay for the plant.....   | \$135,000,000.00      |
| With interest at 4 percent.....  | 48,400,000.00         |
| A loan for additions amounting to.....   | 28,844,000.00         |
| Interest on loan at 4 percent.....   | 10,363,840.00         |
| <b>Total.....</b>  | <b>222,607,840.00</b> |
| Firm yearly payment.....   | 12,367,102.22         |
| Annual business, based on 750,000 tons of products, less sale of byproducts or any other commodity other than steel..... | 53,388,000.00         |
| Total 18 years' sale.....  | 960,984,000.00        |
| Total cost of manufacturing all products, period of 18 years.....  | 711,188,000.00        |
| Total profits from above.....  | 249,796,000.00        |
| Deductions made from profits.....  | 222,607,840.00        |
| Surplus.....   | 27,178,160.00         |
| Unknown maintenance and taxes.....   | 17,594,112.00         |
| Total net profits in 18 years after pay-off.....   | 9,584,048.00          |

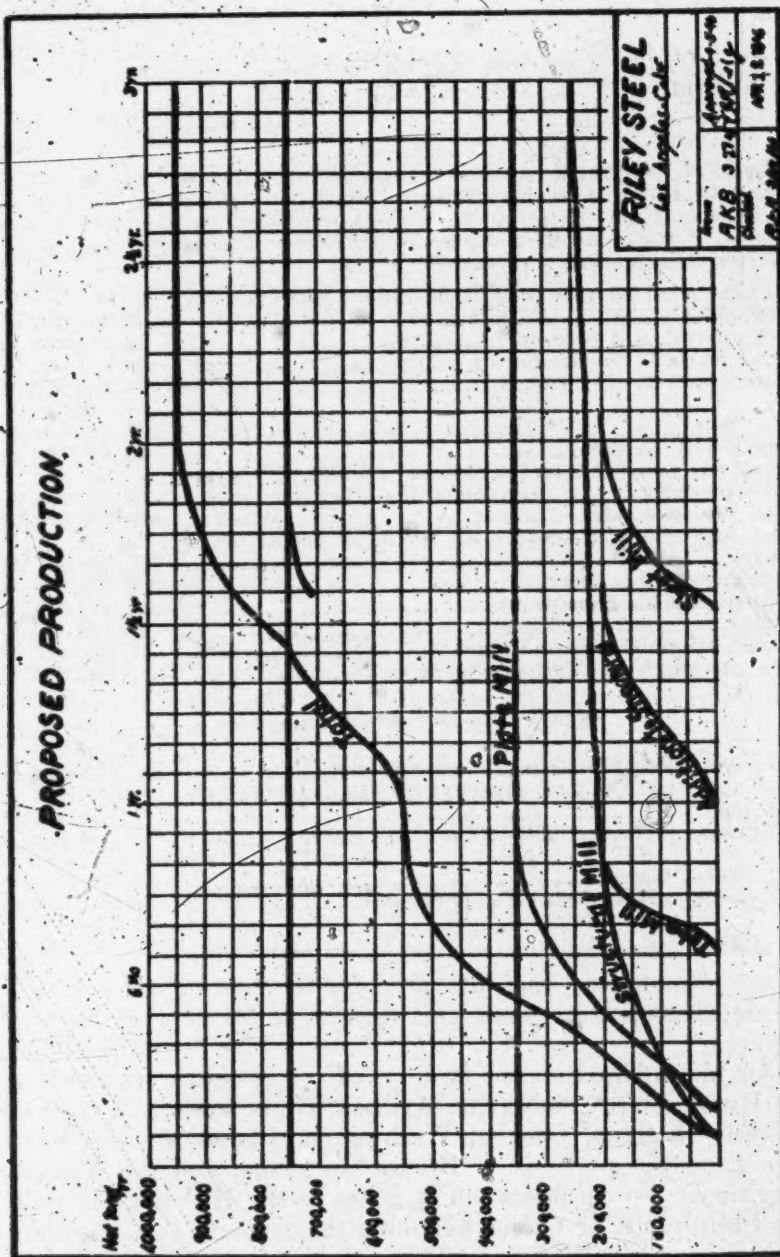
*Money to be borrowed for additions*

|  |                      |
|--|----------------------|
| Sheet mill (300,000 tons maximum capacity).....                    | \$10,169,000.00      |
| Tube mill (200,000 tons capacity) for the manufacture of pipe..... | 11,465,000.00        |
| Additions to structural mill (200,000 tons capacity).....          | 7,210,000.00         |
| <b>Total borrowed.....</b>   | <b>28,844,000.00</b> |
| Interest on borrowed money at 4 percent.....                       | 10,363,840.00        |
| <b>Total.....</b>  | <b>39,207,840.00</b> |

Our proposal has been prepared for the operational purchase of the Geneva steel plant and certain additions that we will require.

Our bid is based on our findings of the economic structure of the Pacific States, embracing Arizona, Utah, western Wyoming, western Montana, Oregon, Washington, Idaho, Nevada, California, certain portions of British Columbia, and the Alaskan Territory. No consideration is given to the Hawaiian Islands, the Philippines, or China, assuming that exports to those countries or islands will be properly handled, if and when they occur, or in the event that any such market might develop.





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If we are successful, it is our opinion that certain preparations should be made for additional payments to the Government in excess of the firm amount specified in our original

bid figures, and suitable arrangements will have to be made therefor. As the bid itself is predicated upon known conditions with established outlets for the products which we desire to manufacture, it is our opinion that the Government should suffer no loss in moneys expended for the construction of the Geneva steel plant. We have seriously taken into consideration the wartime conditions in the cost of the original construction and the circumstances under which the plant was built and have evaluated same.

It is well understood by us as well as by the men who designed and engineered the plant that conditions under which they were forced to obtain the materials and labor pertaining to the construction of the mill made the cost unusually high. In view of all those facts, we have given the matter extreme consideration and decided that the price we are offering is not out of line, irrespective of what this plant might possibly cost in the postwar period or before the war.

While our engineers in surveying the plant might have differences of opinion as to certain features of value, the fact remains that the plant is so constructed that it would be taken over and operated independently with the facilities as they now stand, and certain commercial products could be manufactured with no alterations at all to the mills.

In our proposal we find that there is no reason that we can determine why the plant should be altered other than making additions to meet certain market demands that are below the cross sections of the products that are finished in the mills as they stand. The additions to the structural mill would be to pick up the slack lying below the smallest-gage material that could be manufactured economically in the mill, which, of course, would in sizes mean such materials as reinforcing bars, round bars of various sizes, flats and shapes to meet the Pacific coast demand and in such quantities as would justify the additions to the structural mills.

The other two mills that would be installed would be a tube mill for the manufacturing of pipe, and also a sheet mill to meet the demand for sheet products produced on the Pacific coast. The plate mill as it stands should not, in our opinion, be altered, neither should the structural mill or any part thereof.

The Columbia iron mine and the facilities located thereon, of course, would not be under the direct supervision of the mill and could be allowed to remain as they are; also the Dolomite property and the facilities could be operated as they stand with no changes whatever other than the proper preparation of the agreement of the landowners thereof. The coal mine, of course, would be handled under a comparative operating plan as it has been operated by the Government.

We have investigated the rail-rate problem and have found a satisfactory solution.

The experience of the staff who would operate the mill, particularly our keymen, amounts to an over-all average of 16 years, while some of the men in the higher brackets have had a great many more years of successful operating time in other steel mills. We are hesitant in quoting other than a conservative estimate of the actual operational experience of those people until such time as it would be known if our bid price is satisfactory. Further-

more, the men in the sales department have had a great many years' experience in marketing steel products on the Pacific coast and are well known throughout the industry.

We have investigated the labor situation and found that some men in the skilled brackets are still available in Utah, and they are convinced that they could secure more of the people with whom they worked at the time the mill was in operation. Of course, the labor pool would be handled by the local unions, of which we have contacted the A. F. of L. and CIO and have been emphatically assured by them that they would bend every effort to supply the necessary manpower to place the mill in full operation. We also realize the necessity of employing as many men as economically practical.

In the preparation of the bid that we are submitting, we have made an intensive study of the economics regarding the products that we have set forth as the basis of manufacturing and have arrived at the net tonnage of 750,000 per year as a conservative estimate of what it is possible to sell in the area which we desire to serve. Of course this reflects very lightly on the amount of steel sold by the other companies in this market. We sincerely feel that we are not encroaching, except very feebly, on the already established market demands that have developed in the past years, and we assume that the market in the future will increase possibly not as rapidly as optimists might believe, but on a firm basis of progressive increase.

It is not our desire in proposing this plan to lead the sellers into the belief that we are going to operate the plant at full capacity and possibly not so until the facilities have been installed, and as the production graph, of which a copy has been submitted, would show the incline plane and gradual increases over a period of 2 years of the production peak, which makes it economically practical for this plant to operate.

The details of this proposal as well as the additional facilities and the loan from the Reconstruction Finance Corporation, which is part of this bid, will be submitted, if our bid price is satisfactory, for review by all persons concerned.

## 6. BID FROM UNITED STATES STEEL CORP.

UNITED STATES STEEL CORP.,  
New York 6, N. Y., May 1, 1946.

Lt. Gen. E. B. GREGORY,  
Administrator, War Assets Administration,  
Washington, D. C.

DEAR SIR: In response to the several specific requests made to us from time to time by representatives of the Government to bid for the Geneva Steel plant, we enclose the bid of United States Steel Corp. for that plant.

In conjunction with the bid we have furnished information requested by the Guide for Preparation of Bids and also enclose a preliminary statement showing the part played by United States Steel in the erection and operation of this wartime facility, and also setting forth some of the problems in connection with its utilization.

Your careful consideration of the enclosed bid will be appreciated.

Very truly yours,

UNITED STATES STEEL CORP.,  
B. F. FAIRLESS, President.

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MAY 1, 1946.

WAR ASSETS ADMINISTRATION, Washington, D. C.

PRELIMINARY STATEMENT ACCOMPANYING BID BY UNITED STATES  
STEEL CORP. TO WAR ASSETS ADMINISTRATION FOR THE GENEVA STEEL  
PLANT

United States Steel Corp. is submitting herewith its bid for the acquisition by its wholly owned subsidiary, Columbia Steel Co. or some other wholly owned subsidiary to be designated by United States Steel, of the plant, mines, and other facilities which are described as the Geneva Steel Plant in the Guide for Preparation of Bids or Proposals for Purchase or Lease of Geneva Steel Plant, Geneva, Utah, Government-owned—Plancor (301), issued by the Surplus Property Division of Reconstruction Finance Corporation under date of December 17, 1945.

It is believed that a brief statement of the history of the war-time building and operation of this plant, and of some of the factors involved in its postwar operation will be of interest in connection with the consideration of the enclosed bid.

In 1941 the Government decided on its own initiative and in the national interest to construct a steel plant in the far West in order



to manufacture steel plates and structural shapes for the needs of its huge shipbuilding program on the Pacific coast. For strategic reasons related to the conduct of the war, the Government selected Geneva, Utah, for the location of this new steel plant. The plant was constructed as a war facility and any consideration then given by the Government to its postwar use was secondary.

United States Steel was requested by the Government to design and construct the plant, with its attendant coal mine, iron ore, and quarry facilities. This work was undertaken by Columbia Steel Co., the west coast steel-producing subsidiary of United States Steel. The experience and technical competence and skill of the organization of United States Steel were made available for the engineering, construction, and other phases of this undertaking. Representatives of the Government have stated that the work was completed in a creditable manner.

United States Steel was later asked by the Government to operate the plant for account of the Government. In order to comply with this request, a separate wholly owned subsidiary, Geneva Steel Co., was organized to handle such operation. Other steel-producing subsidiaries of United States Steel furnished experienced personnel for its managerial, supervisory, and technical organization.

Both the design and construction of the plant and its operation were undertaken and completed for account of the Government by United States Steel without charge or fee.

The operating agreement with Geneva Steel Co. terminated 90 days after the cessation of hostilities in World War II. There followed an interim stand-by arrangement, entered into again at the request of the Government, under which the plant is now being maintained at a minimum operation for the Government by Geneva Steel Co., also without charge or fee. This interim maintenance agreement terminates July 12, 1946.

1261 Geneva Steel Co. started business under its operating agreement with the Government on October 1, 1943. Productive facilities at Geneva were placed in operation as construction work was completed. The first battery of coke ovens was charged December 16, 1943, and the first finished steel products were rolled March 22, 1944. Between that time and the termination of steel-making operations on or about November 1, 1945, this plant produced 1,148,623 tons of steel ingots, from which were manufactured 634,010 tons of plates, 71,313 tons of structural shapes, and 69,393 tons of shell steel billets. The plates and structural shapes were shipped to west-coast shipyards and were used for the construction of vitally needed ships.



Between October 1, 1943, and November 12, 1945, the date of the termination of the operating agreement, Geneva Steel Co., on behalf of the Government, made total net sales of \$49,538,220, on which a profit, before depreciation, of \$8,490,307 was realized for the sole benefit of the Government. After accruing full depreciation on the high wartime cost of the property, at the same rates of depreciation as are used by United States Steel in its similar operations elsewhere, a loss of \$2,032,571 was incurred during this period of more than 2 years.

Before World War II, Columbia Steel Co. maintained the only integrated steel operation west of the Rocky Mountains, with a blast furnace and byproduct coke ovens at Ironton, Utah, supplied with ore and coal from its mines in Utah, and with steel mills and finishing facilities at Pittsburg and Torrance, Calif. The present rated capacity of Columbia Steel for the production of ingots and steel castings is approximately 579,800 tons per year. Today Columbia Steel has approximately 5,800 employees in its own plants, warehouses, and offices in the Western States.

For many years Columbia Steel has been a substantial producer of steel products. At Torrance, near Los Angeles, it produces hot-rolled sheets, medium and light structural shapes, merchant bars, concrete reinforcing bars, and steel castings. At Pittsburg, near San Francisco, it produces sheets, merchant bars, concrete reinforcing bars, tie plates, wire rods, wire and wire products, wire rope and steel castings.

Columbia Steel was the only producer of tin plate on the west coast prior to World War II. It produced this product for many years at Pittsburg, Calif., with the hot-mill type of facilities which are now obsolete. Accordingly, Columbia Steel has announced a program for replacing these outmoded facilities with a modern cold-reduction mill, having a rated annual capacity of 325,000 tons of cold-reduced sheets and tin plate. Three hundred and eighty-six thousand tons of hot-rolled coils will be required annually for the manufacture of these products.

United States Steel proposes, in the event its bid is accepted, that the facilities of the Geneva plant be converted or adapted, at its expense, for the production of hot-rolled coils so as to be the source of supply for the coil requirements of such proposed modern cold-reduction facilities of Columbia Steel. After these new cold-reduction facilities are in operation, Columbia Steel will have available for its west-coast customers cold-reduced sheets and tin plate which, it is believed, will be fully comparable in quality to the similar products of any steel mill in the country.

1262 In 1939, steel consumption in the seven far-Western States was approximately 2,121,000 tons of finished prod-

ucts. Columbia Steel estimates that in the postwar period steel consumption in these seven States will be increased approximately 860,000 tons, or about 40 percent, bringing the total up to approximately 2,981,000 tons annually. If the four additional Western States of Montana, Wyoming, Colorado, and New Mexico are included, the estimated annual western steel consumption would be somewhat increased.

Of this total postwar steel demand, Columbia Steel estimates that it and other United States Steel subsidiaries will supply in the neighborhood of 35 percent and 40 percent, which is approximately the same share in this western market which United States Steel had prior to the war.

The Geneva plant, built primarily to produce plates and structural shapes, has capacity to manufacture these two products greatly in excess of any likely postwar needs for these products on the west coast. The Geneva plant's annual capacity of 700,000 tons of plates and 250,000 tons of structural shapes should be compared with an estimated total postwar market in the seven Western States of about 227,000 tons of plates and about 213,000 tons of structural shapes of all types and sizes per year. Because of limitations in the types and sizes of structural products which the structural mill at Geneva is able to produce, it can compete for a share in only about 70 percent of the structural market on the Pacific coast. There is, of course, in the far West substantial plate and structural-mill capacity other than that located at Geneva. A large tonnage of these as well as other steel products is also supplied to the far West by eastern competitors of United States Steel.

The changes which United States Steel proposes to have made in the Geneva plate mill to adapt it for the normal peacetime market of the Western States are described in the attached bid.

There are 12 privately owned steel-producing plants in the Pacific coast area, scattered between Seattle and Los Angeles, with an aggregate annual ingot capacity of 2,347,620 tons. Under ordinary peacetime conditions, this west-coast production, together with the supply of steel products from steel concerns in the East, largely shipped by water, creates a highly competitive market for steel on the Pacific coast.

The over-all annual steel-ingot capacity in the United States as of January 1, 1946, was 91,890,560 tons, including the capacity of the Geneva plant and other Government-owned facilities. As of that date, United States Steel subsidiaries had an annual ingot capacity, excluding Geneva but including the capacity of various properties under lease, of 28,813,200 tons, or 31.4 percent of the Nation's total steel-ingot capacity. If the ingot capacity of Geneva Steel were added, the total steel ingot capacity of United States

Steel would be 30,096,600 tons, or 32.8 percent of such over-all capacity. On July 1, 1941, prior to the entry into the war, United States Steel's total annual ingot capacity was 30,108,900 tons, or 34.9 percent of the total steel capacity in the United States, then amounting to 86,148,700 tons. The reduction in United States Steel's total rated ingot capacity since July 1, 1941, has been brought about by other United States Steel subsidiaries selling or retiring or providing for the retirement of various steel-making facilities in the East.

1263 In the attached bid, information is shown with respect to the expenditures which are proposed to be made by United States Steel at the Geneva plant if such bid is accepted. Columbia Steel proposes to expend about \$25,000,000 for the above-mentioned new cold-reduction sheet and tin-plate mill proposed for erection at Pittsburg, Calif. It is contemplated that other steel-producing subsidiaries of United States Steel will furnish the semifinished steel in the form of hot-rolled coils for such new cold-reduction facilities, unless that steel should be supplied from the Geneva plant. The source of such semifinished steel is primarily dependent upon whether the delivered cost thereof at the cold-reduction mill is lower from Geneva or from some point in the East such as Birmingham, Ala. This delivered cost is directly related to the total sum which economically can be paid for acquiring and further equipping the Geneva plant as well as the freight rate on steel products from Geneva to the markets on the Pacific coast. In view of these factors, together with the size and present character of the finishing facilities of the Geneva plant, there is a point beyond which an investment in Geneva would not be warranted from the standpoint of United States Steel.

Columbia Steel has a proper interest in wishing to maintain, if possible, its present participation in west-coast markets, which it has built up over a period of many years. It also feels an obligation to its long-time customers to do so, especially under existing conditions when the supply of steel is less than the demand.

During the war the management of Geneva Steel Co. assisted the Defense Plant Corporation, at the latter's request, in an endeavor to secure reduced freight rates for the wartime shipments to the west coast of steel produced at the Geneva plant. Anyone interested in bidding for the Geneva plant immediately becomes aware of the necessity for a substantial reduction in present peacetime freight rates on shipments of steel products of various kinds from the Geneva plant to points on the west coast. While the attached bid is not made contingent upon securing in advance a satisfactory reduction in the freight rates, it is obvious

that the economic future of the Geneva plant is inextricably tied up with the necessity of obtaining substantially reduced freight rates, and it is the expectation of United States Steel that each of the several railroads concerned will of its own accord establish fair and proper rates on steel shipment so as to enable the economic operation of the Geneva plant.

UNITED STATES STEEL CORP.,  
By B. F. FAIRLESS, *President.*

MAY 1, 1946.

WAR ASSETS ADMINISTRATION, *Washington, D. C.*

INFORMATION RELATING TO BID FACTORS AND BID OF UNITED STATES  
STEEL CORP., FOR THE GENEVA STEEL PLANT

INFORMATION RELATING TO BID FACTORS

The following information is supplied in conjunction with the bid factors set forth in the Guide for Preparation of Bids 1264 or Proposals for Purchase or Lease of Geneva Steel Plant, Geneva, Utah, Government-owned—Plancor (301).

QUALIFICATION OF BIDDER

The bidder, United States Steel Corp., is a holding company owning subsidiaries primarily engaged in the manufacture and sale of various steel products. Its wholly owned subsidiary, Columbia Steel Co., carries on the production and sale of certain iron and steel products on the west coast. Columbia Steel has plants in California and Utah, with raw material properties in Utah. It has its principal executive and sales offices in San Francisco. Columbia Steel and its predecessor have sold United States Steel products on the entire west coast for over 40 years. It has selling and warehousing facilities in important western cities. It also has experienced executive, operating, and sales personnel, well qualified to operate the Geneva Steel plant and to sell its products.

It is contemplated that the Geneva plant, if the bid of United States Steel Corp. is accepted, will be acquired and operated by Columbia Steel Co., although United States Steel Corp. wishes to be free to have the Geneva plant acquired or operated by some other wholly owned subsidiary if it should deem this advisable.



## OPERATIONS

Columbia Steel has in the past and will in the future attempt to secure the maximum share of available business which it is able to secure, taking into account its capacity, range of products, market conditions, and other competitive factors. United States Steel proposes that the Geneva plant will be operated by Columbia Steel Co. as an integral part of the latter's steel-producing and finishing facilities, and that the operation and use of the facilities of such plant will be governed by the same general considerations that apply to the operation and use of its other plants.

Any projected schedule of production for each major product for each of the next 5 years would involve so many uncertain factors that its usefulness would be extremely limited. The tonnages of each major product which Columbia Steel will produce in its steel plants at Torrance and Pittsburg, Calif., and at the Geneva plant, if acquired, depend largely upon the market demand for these several products. Since the Geneva plant at present is equipped to produce only plates, structural shapes, pig iron, and coke and coal chemicals, it is believed that a more informative statement can be made if the Geneva plant is considered as an integrated part of Columbia Steel's operations.

Assuming that the producing facilities of the Geneva plant are changed and extended as hereinafter proposed and that the plant is operated as an integral part of Columbia Steel's over-all operations, it is estimated the annual production of the plant for that part of the next 5 years which follows the completion of the proposed new facilities will range between 456,000 and 600,000 tons of rolled steel products. These figures include approximately 70,000 tons of plate and approximately 386,000 tons of hot-rolled coils intended for use in the cold-reduction mill which Columbia Steel proposes to install at its Pittsburg, Calif., plant.

In addition to the foregoing, as stated above, the plant is equipped to produce structural shapes, pig iron, coke and coal chemicals for sale. The production of these latter products, 1265 and also the volume of plates produced, is largely dependent upon the market demand for the types and sizes of products that can economically be manufactured there, the extent to which these products are manufactured in other plants of Columbia Steel, the decision which will be made as to the disposition of certain facilities in these other plants, the costs which will eventually be achieved at the respective plants, the freight rates from Geneva to west-coast markets, and other production and cost factors.

In determining the respective use of the facilities of Columbia Steel at its Torrance, Pittsburg, Ironton plants, and at the Geneva plant, if acquired, and in determining the place of manufacture of the finished products sold and delivered to its customers, consideration will be given by United States Steel to all of the factors which prudent business will dictate, including costs of production and transportation, customer requirements as to quality and the many other factors which are necessarily involved:

The pricing policies which will be followed with respect to the sale of products to the public from the Geneva plant will be the same as the pricing policies generally followed by the various steel-producing subsidiaries of United States Steel. These policies would involve the sale of products produced at Geneva to customers at the lowest price consistent with a reasonable return to stockholders. In the active markets for steel on the Pacific coast, Columbia Steel has always endeavored to price its products competitively and proposes to do so in the future. For all products which will be produced at the Geneva plant and which will be sold to the public on the basing-point method of selling, a basing point will be established at Geneva.

The bidder believes that the production of steel by Columbia Steel or another subsidiary at the Geneva plant may serve to develop additional consuming markets for steel products in the territory naturally served by the plant, particularly in this postwar period when many companies are reported to be considering the location of additional steel-consuming facilities. One of the most important factors from the standpoint of consumers of steel is to have an assured source of supply. In view of the long-established nature of the business of the subsidiaries of United States Steel, the operation of the Geneva plant as a part of the integrated operations of Columbia Steel or its operation by another subsidiary of United States Steel should tend to foster the location of steel-consuming manufacturing plants in the Western States.

United States Steel proposes that the original facilities of the Geneva plant shall be preserved for future emergencies in a good state of repair, reasonable wear and tear excepted, for a period of not less than 5 years, except that changes, removals, and retirement of equipment may be made in connection with adapting the plant for peacetime uses and thereafter from time to time other changes of a character necessary or advisable in the normal operation of a steel mill will be made. None of the changes now foreseen are expected to reduce materially during this period the availability of the primary steel-production facilities presently located at the Geneva plant.

## FACILITIES

In any integrated steel plant, such as the Geneva plant, the extent of the use of facilities depends primarily upon the demand for its finished products in the area which can economically be served by the particular plant. Since the Geneva plant was constructed to produce 1,283,400 tons of ingots, and 700,000 tons of plates and 250,000 tons of structural shapes annually, all intended for ship construction, it is apparent that the existing productive and auxiliary service facilities at the Geneva plant proper, designed for the manufacture of the necessary quantities of coke, pig iron, and ingots to produce such tonnages of plates and structural shapes, are more extensive than would be needed to supply present or foreseeable future markets for these finished products. For example, from four to six out of the nine open-hearth furnaces would suffice to produce annually from 583,800 to 784,000 tons of ingots which it is presently estimated may be required to be produced at the plant during the foreseeable future. Eventual utilization of the existing producing facilities at their full capacities is, therefore, problematical.

The cost of maintaining the excess facilities of the Geneva plant is a burden which must be added to the normal cost of operating a plant of proper proportions. While efforts can be made to minimize this cost, it still will be a substantial and a continuing burden for an indefinite period. Moreover, there will be additional substantial expense to be borne during the conversion period. While some production will be obtained during this period, the conditions preclude production at a volume adequate to carry the overhead burden.

The bidder proposes to cause additional finishing facilities to be installed at the Geneva plant, if its bid is accepted. To provide a source of hot-rolled coils for the cold-reduction mill proposed to be constructed by Columbia Steel at its Pittsburg plant for the production of cold-reduced sheets and tin plate, it is proposed to have installed at the Geneva plant, at the cost of United States Steel, all necessary facilities for the production of 386,000 tons of hot-rolled coils annually. The time required for this installation is estimated to be from 15 months to 2 years, depending upon the availability of materials, labor conditions, and other factors. Other installations or additions to equipment will also be made at the Geneva plant at the time when the plant is changed over to peacetime operations. Moreover, further installations and changes at the Geneva plant will probably be necessary in the future in order to meet changing market conditions or operating practices.

All changes in existing facilities will be accomplished solely at the bidder's expense and the Government will not be requested to furnish any funds or financing of any kind or character in connection with the acquisition of the plant, except that it is proposed to defer final payment of the purchase price for a period of 2 years, which is estimated to be the approximate time required for the reconversion of the plant. Likewise, the Government will not be required to furnish any assistance with respect to the numerous and expensive changes which will prove necessary in the operation of the plant over an extended period.

#### EMPLOYMENT

The number of persons who it is expected will find regular employment at the Geneva plant proper, the Geneva coal mine, the quarry and the new cold-reduction facilities proposed to be erected at Pittsburg, Calif., will, of course, vary at different rates 1267 of operation. Assuming a Geneva rate of production of 600,000 tons of rolled-steel products annually, it is estimated that all of these operations will provide employment for about 5,000 employees (exclusive of those now employed at the plants belonging to Columbia Steel Co.).

It is estimated that for a number of months the construction and installation work involved in the new facilities for producing hot-rolled coils at the Geneva plant will require about 500 men and that the new construction in connection with the proposed cold-reduction mill at Pittsburg, Calif., will require about 1,400 men.

At present 1,300 persons are employed in the limited stand-by operations at the Geneva plant. It is estimated that this number will gradually increase until full production is reached when the installation of the new equipment is completed. During war operations, the maximum number of employees at the Geneva plant was about 5,300.

Many of the employees who previously worked at the Geneva plant during wartime await further developments in connection with its peacetime operation. The acquisition of the plant by Columbia Steel or some other United States Steel subsidiary should provide employment opportunities in private industry for these former employees either in connection with production in the plant or its conversion to peacetime operations.



## PURCHASE PRICE OF PLANT

In the Guide for Preparation of Bids reference is made to the fact that the value of the Geneva plant to a prospective private purchaser will depend primarily "upon ability to produce income over and above amortization, interest and depreciation, as well as over operating costs." It is recognized that each steel plant must be judged in the light of its own raw material, facility and market potential, and that the value of one plant is not a precedent for the value of any other plant.

The purchase price herein bid for the Geneva plant is a result of weighing such potential income along with a number of other pertinent factors, including the all-important factor of the likely extent of steel consumption in the far West during the normal life of the Geneva facilities. None of these factors is susceptible of mathematical determination. It is, therefore, impractical to set forth the calculations and factors utilized in arriving at the bid price as requested in the Guide.

## BID FOR GENEVA STEEL PLANT

In response to the several specific requests made, from time to time, by representatives of the Government, United States Steel Corp. submits the following bid for the acquisition of the Geneva plant and inventories. If the bid is accepted, title will be taken by Columbia Steel Co. or another wholly owned subsidiary of United States Steel Corp.

Million

United States Steel Corp. offers to purchase the Geneva plant and inventories for.....\$47.5

The bid for the plant and inventories may, at the option of War Assets Administration, be reduced by 7.5 million dollars, the amount included by the bidder for the inventories, and, as so reduced, accepted as a bid for the plant without the inventories.

7268 United States Steel Corp. further obligates itself, if the bid is accepted, to spend, or cause to be spent, out of its own funds for the installation at the Geneva plant of additional facilities deemed necessary for United States Steel for peacetime operations, including facilities for the annual production at Geneva of 386,000 tons of hot-rolled coils, not less than.....\$18.6

The total amount to be paid to the Government for the Geneva plant and its inventories, and to be expended for additional facilities to be installed at Geneva, is not less than.....66.1

In addition to the foregoing, United States Steel proposes to construct, at Pittsburg, Calif., a cold-reduction mill having an annual production of 325,000 tons of cold-reduced sheets and tin plate, which, if this bid is accepted, will utilize the above-mentioned 386,000 tons of hot-rolled coils; this mill is estimated to cost.....25.0

The total estimated cost to United States Steel for acquiring and converting the Geneva plant, and enabling its production of hot-rolled coils to be utilized in such cold-reduced sheet and tin-plate mill, is... 91.1

The payment of said amount of 47.5 million dollars will be made to the Government as follows and shall not bear interest if paid on the due dates thereof:

Upon conveyance of title as hereinafter provided, a down payment on account of the purchase price of the plant, without inventories, of five million dollars. Upon transfer of the inventories, a payment of 7.5 million dollars, adjusted as hereinafter provided, in full payment of the purchase price of such inventories.

Two years after the day upon which this bid is accepted (the time for installation of the new facilities at the Geneva plant is estimated under existing conditions at not to exceed 2 years), with the right of prepayment in whole or part at any time, the balance of 35 million dollars.

Performance of bidder's obligations hereunder is conditioned upon conveyance to Columbia Steel Co., or some other wholly owned subsidiary of United States Steel, of good and marketable title to all fee properties and transfer to such subsidiary by good and sufficient instruments of all properties and property rights not held in fee, such conveyances and transfers to include all the properties, and all rights and interest in or pertinent to such properties, which comprise the Geneva plant. Provision shall likewise be made for due transfer of inventories.

This bid for the Geneva plant covers the purchase of the land, improvements, facilities and equipment described in the Guide for Preparation of Bids as the "Geneva steel plant," and includes all real and personal property, and rights and interests appurtenant thereto, and all contracts, water rights, mining rights and permits, leases, licenses, easements and all other interests or rights of any character pertaining to the Geneva plant and necessary or incident to its use and operation. The bid also covers the inventories, which include but are not limited to, stores, stocks, supplies, spares, materials, including raw materials, materials in process, finished products and byproducts, and other finished materials. The properties bid for do not include accounts receivable and cash in hand or in bank.

1269 If the bid for the plant and inventories is accepted, the amount bid therefor shall be adjusted in an amount equal to 80 percent of an increase or decrease in such inventory value as shown on the books of Geneva Steel Co. between February 28, 1946, and the date of the conveyance and transfer of the properties to the bidder.

The foregoing information and the estimates relating to the bid factors and contained in the bid are of such character as to preclude definite ascertainment at present or accomplishment without some variations, but such information and estimates are

nevertheless believed to be reasonably accurate and reliable. Bidder reserves the right to make changes herein if necessary to meet bidding requirements of the War Assets Administrator.

In the event this bid is not accepted prior to the close of business on June 15, 1946, bidder reserves the right to withdraw this bid at any time thereafter.

UNITED STATES STEEL CORP.,  
By B. F. FAIRLESS, *President.*

7. BID FROM JUDSON S. WARSHAW

JUDSON S. WARSHAW,  
INDUSTRIAL CONSULTANT,  
50 West Seventy-seventh Street, New York, N. Y.

PROPOSAL

To the SECRETARY, WAR ASSETS ADMINISTRATION,  
*Railroad Retirement Building, Washington, D. C.*

DEAR SIR: In reply to your letter and enclosures of February 27, 1946,

The following is my bid for the Geneva steel plant, its coal, iron ore mines and quarry "as is."

Plan A:

To purchase the plant "as is" at two-thirds "as is" value a 50-percent payment on the agreed purchase price and the balance over 20 equal quarterly payments at no interest. First payment to begin first quarter after production has been produced.

Can and will supply all executive, operating, and sales personnel or will use or utilize the personnel existing at the plants.

All of the foregoing is contingent upon the consent of the Securities and Exchange Commission to place the stock of the acquired operation on sale—all but 26 percent.

Have a tentative agreement with two reputable brokerage houses here.

Plan B:

To lease the plant as is on rental-purchase basis out of profits. Bid, 100 percent of "as is" value.

Plan C:

To operate the plant on a profitable basis, a division of the profits equally or on a purchase basis, with RFC.

The latter two plans, payments will be made in accordance with your schedule at 4 percent interest.

Very truly yours,

(Signed) JUDSON S. WARSHAW.

{COMMITTEE PRINT}

79th Congress 2d. Session—Senate Subcommittee Print No. 8

**WAR-PLANTS DISPOSAL: ACCEPTANCE OF BID OF UNITED STATES  
STEEL CORP. FOR GENEVA STEEL PLANT****REPORT OF THE SURPLUS PROPERTY SUBCOMMITTEE OF THE COMMITTEE  
ON MILITARY AFFAIRS PURSUANT TO S. RES. 129**

May 24, 1946

Printed for the use of the Committee on Military Affairs

United States Government Printing Office, Washington : 1946

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## LETTER OF TRANSMITTAL

WASHINGTON, D. C., May 24, 1946.

HON. ELBERT D. THOMAS,

*Chairman, Committee on Military Affairs,  
United States Senate, Washington, D. C.*

DEAR SENATOR THOMAS: I am herewith submitting to the Committee on Military Affairs a copy of the memorandum to the Price Review Board of War Assets Administration on the disposal of the Geneva steel plant. The recommendations contained in this memorandum were approved by the Price Review Board of War Assets Administration, subject to the approval of this transaction by the Attorney General in accordance with section 20 of the Surplus Property Act, which provides as follows:

SEC. 20. Whenever any disposal agency shall begin negotiations for the disposition to private interests of a plant or plants or other property, which cost the Government \$1,000,000 or more, or of patents, processes, techniques, or inventions, irrespective of cost, the disposal agency shall promptly notify the Attorney General of the proposed disposition and the probable terms or conditions thereof. Within a reasonable time, in no event to exceed ninety days after receiving such notification, the Attorney General shall advise the Board and the disposal agency whether, in his opinion, the proposed disposition will violate the antitrust laws. Upon the request of the Attorney General, the Board or other Government agency shall furnish or cause to be furnished such information as it may possess which the Attorney General determines to be appropriate or necessary to enable him to give the advice called for by this section or to determine whether any other disposition of surplus property violates the antitrust laws. Nothing in this Act shall impair, amend, or modify the antitrust laws or limit and prevent their application to persons who buy or otherwise acquire property under the provisions of this Act. As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act; and the Act of August 27, 1894 (ch. 349, secs. 73, 74, 28 Stat. 570), as amended.

The afore-mentioned memorandum, like the bids submitted for the Geneva steel plant,<sup>1</sup> is being published for the purpose of affording full and complete information to the members of the committee and the Senate and the public generally of the decision of War Assets Administration with respect to the disposal of this important Government-owned plant.

Sincerely yours,

JOSEPH C. O'MAHONEY,  
*Chairman, Surplus Property Subcommittee.*

<sup>1</sup> See Senate Subcommittee Print No. 7.

## LETTER OF SUBMITTAL

WAR ASSETS ADMINISTRATION,  
Washington 25, D. C., May 23, 1946.

Re Plancor 301, disposal of Geneva steel plant

HON. JOSEPH C. O'MAHONEY,  
*Chairman, Surplus Property Subcommittee of the  
Committee on Military Affairs, Washington, D. C.*

MY DEAR SENATOR O'MAHONEY: We are enclosing herewith a copy of the memorandum to the Price Review Board of May 23, 1946, on disposal of the Geneva steel plant. The Board acted favorably on the recommendation included in this memorandum, to accept the bid of United States Steel Corp. and award of the Geneva steel plant was accordingly made to the United States Steel Corp.

It is our understanding with Mr. Kurt Borchardt, counsel of your Surplus Property Subcommittee, that the attached memorandum will be printed for the use of the Committee on Military Affairs. We appreciate this consideration and feel sure that the printing of this memorandum by your committee and its distribution will facilitate congressional and public scrutiny which it appears is most advisable in the disposal of so large and important a plant, and the effect of its disposal on the economy of the Nation, especially in the West.

May we also, at this time, express our appreciation of the interest shown by your committee in its proceedings and their constructive influence on the disposal of this plant.

Very truly yours,

JOHN J. O'BRIEN,  
*Brigadier General, United States Army,  
Director, Office of Real Property Disposal.*

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- B. Bid from United States Steel Corp. to purchase Geneva steel plant.

## 1294 WAR ASSETS DISPOSAL: ACCEPTANCE OF BID OF UNITED STATES STEEL CORP. FOR GENEVA STEEL PLANT

WAR ASSETS ADMINISTRATION,  
Washington 25, D. C., May 23, 1946.

### MEMORANDUM TO THE PRICE REVIEW BOARD

#### 1. INFORMATION ON PLANT AND BID

**Project identification.**—Plancor No. 301, Geneva steel plant (United States Steel Corp., operator).

**Description of property.**—Geneva steel plant at Geneva, Utah, 1,600 acres; Geneva coal mines, Columbia, Utah, 360 acres patented land and 860 acres of surface rights; iron-ore mine facilities, Cedar City, Utah, located on land owned by others; quarry facilities, Payson, Utah, located on land owned by others; interchange yard, 120 miles southeast of Geneva, Utah, 20 acres.

**War use.**—Primarily for the production of plates and structural shapes for the west coast shipbuilding yards.

**Proposed purchaser.**—United States Steel Corp., 71 Broadway, New York 6, N. Y.; title proposed to be taken by Columbia Steel Co., San Francisco, Calif., or another wholly owned subsidiary of United States Steel Corp.

**Cash bid.**—\$40,000,000 for plant; \$7,500,000 for inventories.

**Payment terms.**—Plant \$5,000,000 upon conveyance of title; \$35,000,000 2 years after date of acceptance of bid; inventories, \$7,500,000 upon transfer.

## Summary of value.—

|  | Real property  | Equipment       | Total           |
|--|----------------|-----------------|-----------------|
| Actual cost <sup>1</sup>   | \$80, 343, 773 | \$110, 866, 534 | \$191, 210, 307 |
| Estimated reproduction cost, new <sup>2</sup>  |                |                 | 134, 000, 000   |
| Estimated reproduction cost, equivalent plant, new <sup>3</sup>                      |                |                 | 121, 500, 000   |
| Estimated reproduction cost, equivalent plant, depreciated <sup>4</sup>              |                |                 | 103, 275, 000   |
| Fair value <sup>5</sup> (special)  |                |                 |                 |
| Bid received from United States Steel Corp. (hereinafter referred to as U. S. Steel) |                |                 | 40, 000, 000    |

<sup>1</sup> Actual cost of land and buildings according to engineering records to Apr. 30, 1946, based on commitments minus sales and transfers. Cost of machinery and equipment as revealed by engineering records dated Apr. 30, 1946, is \$110,866,534 based on commitments minus sales and transfers. It has been determined that the machinery and equipment are essential to the operation of the plant for the purposes for which it is being disposed.

<sup>2</sup> Present normal reproduction value according to appraisal by Arthur G. McKee & Co. dated Aug. 30, 1945, for vol. I, Oct. 24, 1945, for vol. II.

<sup>3</sup> Estimated reproduction cost of equivalent plant, new, by Arthur G. McKee & Co. in appraisal above listed.

<sup>4</sup> Estimated reproduction cost of equivalent plant, depreciated, estimated by War Assets Administration at 85 percent of reproduction cost of equivalent plant.

<sup>5</sup> Fair value on this special project must be based on the provisions of Special Order No. 19 of Surplus Property Board.

1295 **Legal status.**—**Surplus:** Preliminary declaration dated May 1, 1946; final declaration in process. Advertising expiration date: Advertising called for sealed bids May 1, 1946. Option information: Plant is owned by Government; option not applicable. Coordinated with regional office: Sealed bids were submitted to and handled by Washington office.

## 2. IMPORTANCE OF GENEVA STEEL PLANT

The Geneva steel plant in Utah is the largest steel plant constructed by the Government to help meet war requirements for steel. It cost approximately \$191,000,000 including facilities at the iron mines and quarries, coal mines, and other auxiliary and service facilities.

From the time of its inception in 1941 and during its construction and subsequent operation, this plant has been of national interest particularly to the West and the west coast. Its prospective disposal by Government to private industry is likewise of outstanding national interest.

## 3. GOVERNMENT PROCEDURE ON DISPOSAL OF GENEVA STEEL PLANT

Under date of October 8, 1945, in compliance with the Surplus Property Act, the report to Congress of the Surplus Property Administration on disposal of government iron and steel plants and facilities was made. Considerable attention was given in this report to the prospective disposal of the Geneva steel plant.



In November 1945, the Surplus Property Subcommittee of the Senate Committee on Military Affairs, held public hearings on the above report of the Surplus Property Administration. Prospective disposal of the Geneva steel plant dominated these hearings. Reports were made by the above committee, detailing the economic factors and other pertinent information developed at these hearings, for consideration in the disposal of surplus steel plants and particularly the Geneva steel plant. These reports were widely circulated throughout Government and industry and were also otherwise publicized.

#### 4. SEALED BIDS INVITED FOR GENEVA STEEL PLANT

One of the outstanding developments resulting from the above hearings was the advocating of sealed bids for the Geneva steel plant. The discussion at these hearings leading up to this development is shown in exhibit (A) of this memorandum.

In December 1945, the Reconstruction Finance Corporation, a disposal agency designated by the Surplus Property Administration, and predecessor of the War Assets Administration, by national advertisement and otherwise, invited sealed bids or proposals for the purchase or lease of the Geneva steel plant (copy of this advertisement is shown on p. 42 of the report, dated May 10, 1946, of the Surplus Property Subcommittee of the Senate Committee on Military Affairs).

The Reconstruction Finance Corporation under date of December 17, 1945, also issued, in connection with above advertisement, a guide for preparation of bids or proposals for purchase or lease of Geneva steel plant, Geneva, Utah. This guide was widely circulated throughout Government and industry and described:

1296 (a) Types of bids.

(b) Rights of disposal agency.

(c) Summary of bid factors including employment, qualification of bidder, operations, pricing policy, facilities, inventories, purchase price of plant and financial plans for additional facilities and interest charges.

The results of the above invitations for sealed bids or proposals are fully set forth in the report (May 10, 1946) of the Surplus Property Subcommittee of the Senate Committee on Military Affairs on war plant disposal—bids for Geneva and South Chicago steel plants. This report lists the seven bids received for the Geneva steel plant and displays the advertisement inviting bids or proposals for the purchase or lease of this plant. It also includes the proceedings on the occasion of opening of bids on May 1, 1946.

## 5. BIDS RECEIVED FOR DISPOSAL OF GENEVA STEEL PLANT

As a result of the above invitation, bids were received for the purchase or lease of the Geneva steel plant as follows:

Bids for purchase.—Assets Reconstruction Corp., Ltd., Los Angeles, Calif.; Blue Star Enterprises, Inc., Salt Lake City, Utah (withdrawn); Pacific-American Steel Iron Corp., Seattle, Wash.; Riley Steel (Fred Riley Co.), Los Angeles, Calif.; United States Steel Corp., New York, N. Y. (herein referred to as U. S. Steel).

Bids for Purchase or Lease.—Warshaw, J. S., New York City.

Bid for lease.—Colorado Fuel & Iron Corp., Denver, Colo.

## 6. ACTION TO BE TAKEN ON BIDS RECEIVED

In inviting sealed bids for the purchase or lease of the Geneva steel plant, measures were taken by the War Assets Administration to notify all interested parties and to adequately meet all Government requirements on procedure prior and subsequent to the receipt of such bids. The War Assets Administration also reserved the right to reject any or all bids received.

Considerable time was expended and every effort made to secure the best possible bid for the Geneva steel plant. Whether the bids received are adequate or not, it appears certain that nothing further can be gained through a second call for bids. In fact, such call might be detrimental. It is believed that the interest of the Government and the national economy can best be served by promptly making an award from the bids already received, and this memorandum to the Price Review Board is submitted on that basis.

## 7. OBJECTIVES OF SURPLUS PROPERTY ACT MET BY BID OF U. S. STEEL

The bid of U. S. Steel meets the following applicable objectives of the Surplus Property Act:

(a). It will assure the most effective use of the Geneva steel plant for war purposes and common defense. The bid of U. S. Steel proposes to preserve for future emergencies, the original facilities of the Geneva steel plant in good state of repair for a period of not less than 5 years.

1297 (b). It will stimulate full employment including employment of war veterans. Employment will be provided at the Geneva steel plant proper, the Geneva coal mine, the quarry, and at the proposed new cold reduction facilities at Pittsburg, Calif., for approximately 5,000 persons when the Geneva steel plant rate of production is 600,000 tons of rolled-steel products annually.

(c) It will facilitate the transition of the Geneva steel plant from wartime to peacetime production.

(g) It will encourage and foster postwar employment opportunities not only in the Geneva steel plant but also in steel-consuming industries in the West.

(o) It will promote production, employment of labor, and utilization of the productive capacity and the natural resources (especially iron ore and coal) and the agricultural resources (through steel used in agricultural machinery) of the country.

(p) It will foster the development in the West of new independent enterprise. The production of steel at the Geneva steel plant should serve to develop additional consuming markets for steel products in the territory naturally served by the plant, particularly in this postwar period when many companies are reported to be considering the location of additional steel-consuming facilities. One of the most important factors from the standpoint of consumers of steel is to have an assured source of supply. The operation of the Geneva steel plant as a part of the integrated operations of U. S. Steel should tend to foster the location of steel-consuming manufacturing plants in the Western States.

(t) It will obtain for the Government, as nearly as possible, a fair value of the Geneva steel plant upon its disposal, as provided in the statement on pricing of plants, shown in part III, section (c) of the report to Congress by the Surplus Property Administration under date of October 8, 1945, on disposal of Government iron and steel plants and facilities.

NOTE.—The letters of the above paragraphs correspond to the letters of the applicable paragraphs included under "objectives" of the Surplus Property Act.

#### 8. OTHER ADVANTAGES TO GOVERNMENT PROVIDED BY BID OF U. S. STEEL

In addition to meeting applicable objectives of the Surplus Property Act set forth in above section (7) of this memorandum the bid of U. S. Steel provides the following additional advantages to the Government:

(a) Disposal to private industry.—It provides immediate disposal, final and complete, from Government to private industry, of all land, buildings, and equipment included under Plancon No. 301, in an "as is" condition. It also provides for similar disposal of all inventories on hand.

(b) Assurance of future operations.—It offers the highest possible degree of assurance for the continued and perpetual operation of the plant.

(c) End of Government expenditures.—It ends all future financial responsibility of the Government for the Geneva steel plant.

Furthermore, the Government will not be required to furnish any funds or financing for maintaining the excess facilities of 1298 the Geneva plant, its conversion expenses, making changes to existing facilities, or for making numerous and expensive changes which will prove necessary in the operation of the plant over an extended period.

(d) Working capital.—It provides that U. S. Steel will furnish the working capital for the future operation of the plant.

(e) Additional facilities.—The bid obligates U. S. Steel to spend \$18,600,000 of its own funds for additional facilities at the Geneva plant, including facilities for the annual production of 386,000 tons of hot-rolled coils. The U. S. Steel, in its bid, further proposes to spend an additional \$25,000,000 out of its own funds for a cold reduction mill having an annual production of 325,000 tons of cold reduced sheets and tin plate to utilize the above 386,000 tons of hot-rolled coils.

The U. S. Steel, in explanation of its bid, contemplates further expenditures out of its own funds for installations and changes at the Geneva steel plant in the future to meet changing market conditions of operating practices.

(f) Sound organization.—The bid provides assurance that the operations of the Geneva steel plant will be soundly handled by qualified men of long standing and experience in the steel industry.

The U. S. Steel designed, constructed, operated, and is now maintaining, and, incident to such maintenance, is operating in a small way, the Geneva steel plant. This experience with the plant and the highly creditable performance during the period of such experience is of distinct advantage in the consideration of an award of the Geneva steel plant.

The Columbia Steel Co., the subsidiary of the U. S. Steel which would probably operate the Geneva plant, should the award be made to the U. S. Steel, has sold steel products on the entire west coast for many years and has experienced executive, operating, and sales personnel, well qualified to operate the Geneva steel plant and to sell its products. Furthermore, it can draw on the over-all personnel of U. S. Steel for any additional personnel that may be needed.

(g) Pricing policy at Geneva plant.—The bid provides that for all products produced at the Geneva steel plant and sold to the public on the basing-point method of selling, a basing point will be established at Geneva, Utah. This policy involves the sale of products produced at Geneva to customers at the lowest price consistent with a reasonable return to the U. S. Steel.



## 9. ADEQUACY OF BID OF UNITED STATES STEEL CORP.

The adequacy of the bid of U. S. Steel is measured not solely by the cash consideration of \$40,000,000 for the Geneva steel plant but by the summation of all considerations contained in the bid, as follows:

(a) Cash consideration of \$40,000,000 for the plant.—The determination of a fair value for the land, buildings, and equipment included under the planor, on the usual appraisal basis involving normal reproduction cost less accrued depreciation, less deductions for justified reasons, if any, is not applicable to the Geneva steel plant. Disposal of the Geneva steel plant presents an individual and special problem and in this case, consideration must be given to the future economic use and value of the property and not to its present physical value.

1299 Instructions for the determination of the future economic value of the Geneva steel plant are provided in (a) report to Congress by the Surplus Property Administration, under date of October 8, 1945, on disposal of Government iron and steel plant facilities, in paragraph B of part III entitled "Case-by-Case Standards" and in paragraph D entitled "Pricing of Plants" and in (b) Revised Special Order 19, dated January 16, 1946, of Surplus Property Administration, which sets forth the definition of fair value.

It is understood from the letter accompanying the bid of U. S. Steel that the cash consideration of \$40,000,000 included therein, for the Geneva steel plant is the result of weighing the potential income of the Geneva steel plant over and above amortization, interest, and depreciation as well as over operating costs, along with a number of other pertinent and uncertain factors such as markets, freight rates on steel products from Geneva to the west coast, costs, selling prices, the size and present character of the finishing facilities at the Geneva steel plant, and the all-important factor of likely extent of steel consumption in the far West during the normal life of the Geneva plant.

The above \$40,000,000 is apparently the total amount which economically can be paid by U. S. Steel for acquiring the existing land, buildings, and equipment included under the Geneva steel planor and apparently represents the future economic value of the Geneva steel plant from the standpoint of U. S. Steel as the above letter states:

In view of the above factors there is a point beyond which an investment in Geneva would not be warranted from the standpoint of U. S. Steel.

The above cash consideration of \$40,000,000 included in the bid of U. S. Steel was determined in accordance with the provisions

of the Surplus Property Act, as above amended, and is a fair value for the property in accordance with the definition of fair value shown under Revised Special Order 12, dated January 16, 1946, of Surplus Property Administration and should be so considered.

(b) Consideration for meeting objectives of the act.—Full consideration should be to the extent to which the bid meets the objectives of the Surplus Property Act as set forth in section (7) of this memorandum.

(c) Consideration for special advantages.—Full consideration should be given to the special advantages to the Government and to the general economy of the Nation as set forth in section (8) of this memorandum and more particularly the relief from any further cash expenditures by the Government in connection with the items outlined in the following quotations from the letter accompanying the bid of U. S. Steel:

The cost of maintaining the excess facilities of the Geneva plant is a burden which must be added to the normal cost of operating a plant of proper proportions. While efforts can be made to minimize this cost, it still will be a substantial and a continuing burden for an indefinite period. Moreover, there will be additional substantial expense to be borne during the conversion period. While some production will be obtained during this period, the conditions preclude production at a volume adequate to carry the overhead burden.

All changes in existing facilities will be accomplished solely at the bidder's expense and the Government will not be requested to furnish any funds or financing of any kind or character in connection with the acquisition of the plant, except that it is proposed to defer final payment of the purchase price for a period of 2 years, which is estimated to be the approximate time required for the reconversion of the plant. Likewise, the Government will not be required to furnish any assistance with respect to the numerous and expensive changes which will prove necessary in the operation of the plant over an extended period.

(d) Consideration of \$100,000,000 prospective investment.—The bid of U. S. Steel includes a proposed further cash investment (in addition to the \$40,000,000 bid for the plant) of (a) an obligation to spend \$18,600,000 for additional facilities at Geneva for production of hot-rolled coils, (b) a proposal to construct at Pittsburgh a cold-reduction mill at an estimated cost of \$25,000,000 for utilizing above coils, and (c) a bid of approximately \$7,500,000 for the inventories at Geneva. The above investment amounts to \$91,100,000, to which can be added an amount for additional working capital estimated by War Assets Administration to be at least \$8,900,000, making a total estimated investment of \$100,000,000. This prospective investment of \$100,000,000 is an outstanding consideration in the bid of U. S. Steel for the Geneva steel plant.

## 10. POSITION OF U. S. STEEL IN STEEL INDUSTRY

## (a) Position on basis of net tons ingot capacity.—

| Date         | Capacity,<br>U. S. Steel | Capacity,<br>steel<br>industry | U. S.<br>Steel<br>percent<br>of steel<br>industry | Date         | Capacity,<br>U. S. Steel | Capacity,<br>steel<br>industry | U. S.<br>Steel<br>percent<br>of steel<br>industry |
|--------------|--------------------------|--------------------------------|---|--------------|--------------------------|--------------------------------|---|
| Jan. 1, 1939 | 26,985,000               | 81,628,000                     | 33.3  | Jan. 1, 1943 | 31,150,900               | 90,292,000                     | 34.5  |
| Jan. 1, 1940 | 27,795,000               | 81,619,400                     | 34.1  | July 1, 1943 | 31,330,700               | 90,861,210                     | 34.5  |
| Jan. 1, 1941 | 29,720,000               | 84,182,200                     | 35.3  | Jan. 1, 1944 | 32,537,000               | 93,652,200                     | 34.7  |
| July 1, 1941 | 30,106,900               | 86,146,700                     | 34.9  | July 1, 1944 | 32,537,000               | 94,054,550                     | 34.6  |
| Jan. 1, 1942 | 30,532,100               | 88,563,970                     | 34.5  | Jan. 1, 1945 | 32,307,000               | 95,885,200                     | 33.8  |
| July 1, 1942 | 30,646,700               | 89,196,330                     | 34.4  | Jan. 1, 1946 | 32,813,200               | 91,960,500                     | 31.4  |

NOTE 1.—United States Steel Corp. includes ingot capacity of Government facilities at Homestead, Pa., of 1,894,000 tons as of Jan. 1, 1946.

NOTE 2.—Ingot capacity of 1,253,400 tons at Geneva steel plant is not included in above. Inclusion of this capacity with above capacity of U. S. Steel, will show a total capacity of 30,096,000 tons for the U. S. Steel or 32.7 percent of steel industry.

## (b) Position on basis of sales —

| Year  | Sales U. S. Steel | Sales steel<br>industry | U. S. Steel<br>percent of<br>steel industry |
|-------|-------------------|-------------------------|---|
| 1944  | \$2,082,186,895   | \$7,275,100,000         | 28.7  |
| 1945  | 1,747,338,061     | 6,231,700,000           | 27.6  |
| Total | 3,829,525,556     | 13,506,800,000          | 28.1  |

## (c) Position on basis of number of employees —

| Year  | Employees<br>U. S. Steel | Employees steel<br>industry | U. S. Steel<br>percent of<br>steel industry |
|-------|--------------------------|-----------------------------|---|
| 1944  | 431,888                  | 919,300                     | 34.2  |
| 1945  | 379,374                  | 812,651                     | 34.3  |
| Total | 808,162                  | 1,731,951                   | 34.2  |

<sup>1</sup> Reference: Financial Analysis of Steel Industry for 1945 Supplement to Steel, May 6, 1946, adjusted from 85.79 percent to 100 percent.

## 1301 11. FOREWORD ON RECOMMENDATIONS ON BIDS

The bid of U. S. Steel for the purchase of the Geneva steel plant is fully analyzed in this memorandum and the first following recommendation is made on this bid and the reasons shown for making such recommendation.

All other bids for the purchase or lease of the Geneva steel plant have been individually analyzed and summarized in this memorandum and the second following recommendation is made on the basis of the significant factors in each of such bids and their evaluation and how the bids compare with the bid of U. S. Steel.

## 12. RECOMMENDATION TO ACCEPT BID OF U. S. STEEL CORP.

It is recommended that the Board accept the bid of U. S. Steel Corp. for the purchase of the Geneva steel plant for \$40,000,000 and its inventories for approximately \$7,500,000 in accordance with the terms and conditions of the bid a copy of which is attached hereto, marked "Exhibit B" and made a part of this memorandum, subject to the following conditions:

1. Compliance with the requirements of regulation No. 10 of Surplus Property Administration.
2. Formal declaration of property as surplus with assignment to War Assets Administration as disposal agency.
3. Approval of Department of Justice.
4. Any other requirements deemed necessary by the Legal Division.

The above recommendation for acceptance of this bid is made for the following reasons:

(a) As shown in section (7) of this memorandum, the bid meets many applicable objectives of the Surplus Property Act.

(b) As shown in section (8) of this memorandum, the bid provides many other advantages to the Government and the national economy.

(c) As shown in section (9) of this memorandum, the bid meets the test of adequacy of fair value for the Geneva plant.

(d) The bid is more favorable than any of the other bids submitted for the Geneva plant as will be shown in the following recommendation.

## 13. RECOMMENDATION TO REJECT ALL OTHER BIDS

It is recommended that the Board reject the bids of each of the following companies or parties, for the purchase or lease of the Geneva steel plant, for the reasons listed under their respective names. (These bids are printed in the report of May 10, 1946, of Surplus Property subcommittee of the Senate Committee on Military Affairs on War Plants Disposal: Bids for Geneva and South Chicago Steel Plants.)

## A. Bid of Assets Reconstruction Corp., Ltd., Los Angeles, Calif.

1. Conditions of Bid.—Bid is for purchase of Geneva steel plant "as is" for \$38,750,000; bidder proposes to provide additional facilities at a cost of \$55,500,000 and to acquire coal and iron ore property, having a reasonable value of \$17,500,000 after appropriating \$2,500,000 for installation of further facilities at University of Utah;



2. Evaluation of bid.—Bidder did not furnish statement of financial responsibility or organization as requested by letter from War Assets Administration; bid \$38,750,000 is \$1,250,000 less than U. S. Steel bid of \$40,000,000 for plant and lacks many necessary factors; this bid is not as favorable as U. S. Steel bid.

#### B. Bid of Colorado Fuel & Iron Corp., Denver, Colo.

1. Conditions of bid.—Bid is for lease of plant for terms of 15 to 25 years, with option to purchase; Government to provide \$47,935,000 for additional facilities, pay cost and expense of taxes and insurance, operate the plant at its own expense under an interim contract until above additional facilities are installed (a period of 18 months to 2 years); bidder to provide \$25,000,000 working capital through sale of stock to public and to pay a rental of \$2 for each ton of finished steel products produced and delivered (after above additional facilities are installed) or approximately \$1,500,000 per year on 70 percent operations;

2. Evaluation of bid.—Bid provides no commitment for amortizing cost of or paying interest to Government on \$47,935,000 for the additional facilities or to pay a fair annual rental of 9 percent per year (5 percent for depreciation plus 4 percent for interest) on the economic value of existing plant (determined by U. S. Steel to be \$40,000,000 from its standpoint); to fully meet the requirements of above amortization, interest, and rental, would require at least \$2,500,000 per year for amortization of and interest on above \$47,935,000, for new facilities plus \$3,600,000 for rental of existing facilities or a total full requirement of approximately \$6,100,000 per year; the above net rentals to meet this requirement will probably not average \$1,000,000 per year (after allowing for payment by Government of taxes and insurance and other possible expenses): in fact, such rentals will not be adequate to pay the interest of 4 percent per year amounting to \$1,917,400 on the above \$47,935,000 for new facilities, and no funds will be available for the amortization of this \$47,935,000 or for rentals on the above economic value of existing facilities. This bid does not provide an adequate return to Government and is not as favorable as the U. S. Steel bid.

#### C. Bid of Pacific-American Steel Iron Corp., Seattle, Wash.

1. Conditions of bid.—Bid is for purchase of Geneva steel plant for 20 percent of \$202,493,208 (which bidder states is the cost given), or \$40,498,642. The above \$202,493,208 apparently is the amount of funds authorized, as the cost as of April 30, 1946, according to official engineering reports was \$191,210,307, after

deductions for sales and transfers. (On the basis of this cost, the above bid of 20 percent of cost, amounts to \$38,242,061.) Above bid of \$40,498,642 is payable over a period of 20 years with interest at the rate of 2 percent per annum; bidder requires a Government loan of \$25,000,000 for tin-plate mill and alteration of present steel mill.

2. Conditions of alternate bid.—Bidder proposes Government turn over the Geneva steel plant to him, and provide him with \$25,000,000 for above facilities and be reimbursed out of earnings for its investment of \$202,493,208, plus interest at the rate of 2 percent per annum after 3 years.

3. Evaluation of bids.—Statement of financial responsibility was not furnished as requested by War Assets Administration;

bidder verbally states he proposes to finance project 1303 through sale of stock and will require \$15,000,000 for working capital, \$25,000,000 for tin-plate mill, and approximately \$40,000,000 for purchase of plant, or a total of \$75,000,000. The alternate bid contemplates partnership with the Government and peacetime Government operation of plant. Bid does not provide for amortization and interest on above loan of \$25,000,000 and does not present tangible evidence of financial responsibility of the bidder, and contemplates Government operation of plant in competition with private industry. Conference held with bidder did not develop adequate responsibility and resources necessary to operate the Geneva steel plant. This bid is not as favorable as the U. S. Steel bid.

#### D. Bid of Riley Steel Co. (Fred Riley Co.), Los Angeles, Calif.

1. Conditions of bid.—Bid is for the purchase of Geneva steel plant for \$135,000,000 with a firm yearly payment of \$12,367,102 payable in advance. Bidder will require a loan of \$28,844,000 for a sheet mill, tube mill, and additions to structural mill. Bid contemplates production of 750,000 net tons of products per year.

2. Evaluation of bid.—Bidder did not furnish a statement of financial responsibility, proposed organization, source of loan of \$28,844,000 and source and amount of working capital although such statement has been promised. The bid lacks essential factors and is too intangible and does not present adequate evidence of financial responsibility or the background necessary for operation of the Geneva steel plant. This bid is not as favorable as the U. S. Steel bid.

#### E. Bid of Judson S. Warshaw, New York City.

1. Conditions of bid.—Bid is for purchase of Geneva plant "as is" at two-thirds of its value or for \$132,000,000 with a 50-percent

down payment and the balance payable during the next 5 years; foregoing is contingent upon consent of Securities and Exchange Commission to authorize the sale of stock of new corporation with the exception of 20 percent which bidder apparently intends to retain.

2. Condition of alternate bid.—As alternate, bidder proposes to lease the plant "as is" on a rental-purchase basis out of profits at its value of approximately \$190,000,000 or operate the plant on a profitable basis with a division of profits equally or on a purchase basis with the Government.

3. Evaluation of bid.—Bidder did not furnish a statement showing his financial responsibility that would enable him to meet the above financial obligations and did not submit a statement of proposed organization, all as requested by letter from War Assets Administration. At a conference with bidder, he could not furnish any tangible evidence of his financial responsibility or any evidence of his proposed organization. Neither could he state that he had any sales organization now, although such an organization is necessary for successful operation of any plant. This bid is not as favorable as the U. S. Steel bid.

#### 14. TIME LIMITATIONS OF UNITED STATES STEEL CORP.

The bid of U. S. Steel states:

In the event this bid is not accepted prior to the close of business on June 15, 1946, bidder reserves the right to withdraw this bid at any time thereafter.

1304 The interim maintenance agreement under which the Geneva steel plants is now being maintained at a minimum operation for the Government by the United States Steel Corp. terminates July 12, 1946.

JAMES T. DALY,  
*Director, Industrial Division,  
Office of Real Property Disposal.*

Sealed bids handled by; analysis prepared by; recommendation made by:

W. A. HAUCK,  
*Chief, Iron and Steel Branch.*

Analysis reviewed by:

LESLIE S. WRIGHT.

Valuations concurred in by:

J. E. McCORMACK.

Approved as to legal requirements by:

E. L. BRIDGES.

Submitted to Board \_\_\_\_\_

Board action \_\_\_\_\_, 1946.

R. G. RHETT, *Secretary.*

## APPENDIXES

## EXHIBIT A—SEALED BIDS ADVOCATED

The following excerpts are taken from the Report on Joint Hearings on War Plants Disposal—Iron and Steel Plants, before the Subcommittee on Surplus Property of the Senate Committee on Military Affairs held November 5, 6, and 8, 1945.

Page 58 of above report:

"Senator REVERCOMB. Mr. Chairman, before the experts start, let me ask a question.

"Mr. HUSBANDS, why wouldn't it be basically sound to sell these plants outright to the purchaser who is willing to pay the best price to the Government for them, and to sell them at the best price obtainable without the Government going forth with any expenditures and without the Government going forth with any agreement to aid or subsidize operations financially?

"Mr. HUSBANDS. That would be our preference, sir.

"Senator REVERCOMB. That is the preferred way of doing it?

"Mr. HUSBANDS. That is correct, sir.

"Senator REVERCOMB. I am glad to hear you say that, sir.

"Senator REVERCOMB. Don't you think a purchaser ought to take it over as it is and equip it for the purpose he desires?

"Mr. KAISER. I think your suggestion that you get bids is an excellent suggestion, but unfortunately, as the Senator says, where are the bids?"

Page 59 of above report:

"Senator REVERCOMB. My thought is this, Mr. Keiser, why isn't it practical, both from the viewpoint of the seller and the purchaser, to take the plant as it stands and let the purchaser convert it to the purpose for which he desires it?

"Mr. KAISER. It is certainly a very definite course, but you should ask for public bids to be opened, according to the policy of the United States, in all big cities, with all bids available to everybody.

"Senator O'MAHONEY. Reserving the right to reject any and all bids.

"Mr. KAISER. That is right.

"Senator REVERCOMB. I am delighted that we have come around to an agreement on that.

"Senator MURDOCK. May I ask Senator Revercomb this question? If I have followed you, Senator, you are advocating that the Geneva plant should be put up for sale?

"Senator REVERCOMB. Yes.

"Senator MURDOCK. And sold to the highest and best bidder?



"Senator REVERCOMB. I say sell it outright without spending any more public money upon it, that is, from the viewpoint of the Government. Sell it in its present condition so that your purchaser may change it as he pleases to change it, and let him take it and run it as his plant."

NOTE.—Above names refer to Senator Chapman Revercomb, West Virginia, Committee on Military Affairs, Subcommittee on Surplus Property; Sam H. Husbands, Board of Directors, Reconstruction Finance Corporation; Henry J. Kaiser, president of Kaiser Co., Inc.; Senator Joseph C. O'Mahoney, Wyoming, Committee on Military Affairs, Chairman, Subcommittee on Surplus Property, Committee on Postwar Economic Policy and Planning; Senator Abe Murdock, Utah.

## EXHIBIT B

Bid from United States Steel Corp. (See Subcommittee Print No. 7.)

1306

*Defendant's Exhibit 68*

OFFICE OF THE ATTORNEY GENERAL,  
Washington, D. C., June 17, 1946.

General E. B. GREGORY,  
Administrator, War Assets Administration,  
Washington, D. C.

DEAR GENERAL GREGORY: I refer to the letter from your Administration, dated May 23, 1946, which requests my opinion, pursuant to Section 20 of the Surplus Property Act of 1944, as to whether the proposed sale of the Geneva Steel Plant at Geneva, Utah, to a wholly owned subsidiary of the United States Steel Corporation will violate the antitrust laws.

Subsequently I was advised that the Colorado Fuel and Iron Corporation had filed with you a modification of its original bid. Thereafter, I informed you that I did not contemplate issuing an opinion on the bid of the United States Steel Corporation until such time as I had been informed by you as to the disposition which you had made of the above-mentioned modified bid. Inasmuch as you have now indicated that you do not intend to consider any further proposals regarding the disposition of the Geneva Steel Plant until after my opinion with respect to the bid of the United States Steel Corporation has been rendered, I submit herewith such opinion.

Accompanying your letter dated May 23, 1946, was a copy of the bid of the United States Steel Corporation, together with a

"Preliminary Statement Accompanying Bid by United States Steel Corporation to War Assets Administration for the Geneva Steel Plant." You also furnished me a copy of a document entitled "Memorandum to the Price Review Board" prepared by your staff, dated May 23, 1946. I note from this Memorandum that you have made the following findings showing that the bid of the United States Steel Corporation meets the applicable objectives of the Surplus Property Act:

"(a) It will assure the most effective use of the Geneva Steel Plant for war purposes and common defense. The bid of U. S. Steel proposes to preserve for future emergencies, the original facilities of the Geneva Steel Plant in good state of repair for a period of not less than five years.

1307. "(b) It will stimulate full employment including employment of War Veterans. Employment will be provided at the Geneva Steel Plant proper, the Geneva Coal Mine, the quarry, and at the proposed new cold-reduction facilities at Pittsburg, California, for approximately 5,000 persons when the Geneva Steel Plant rate of production is 600,000 tons of rolled steel products annually.

"(c) It will facilitate the transition of the Geneva Steel Plant from wartime to peacetime production.

"(g) It will encourage and foster postwar employment opportunities not only in the Geneva Steel Plant but also in steel-consuming industries in the West.

"(o) It will promote production, employment of labor and utilization of the productive capacity and the natural resources (especially iron ore and coal) and the agricultural resources (through steel used in agricultural machinery) of the country.

"(p) It will foster the development in the West of new independent enterprise. The production of steel at the Geneva Steel Plant should serve to develop additional consuming markets for steel products in the territory naturally served by the plant, particularly in this postwar period when many companies are reported to be considering the location of additional steel-consuming facilities. One of the most important factors from the standpoint of consumers of steel is to have an assured source of supply. The operation of the Geneva Steel Plant as a part of the integrated operations of U. S. Steel should tend to foster the location of steel-consuming manufacturing plants in the Western States.

"(t) It will obtain for the Government, as nearly as possible, a fair value of the Geneva Steel Plant upon its disposal, as provided in the statement on 'Pricing of Plants,' shown in Part III, Section (c) of the report to Congress by the Surplus Property

## Administration under date of October 8, 1945, on Disposal of Government Iron and Steel Plants and Facilities.

"Note.—The letters of the above paragraphs correspond to the letters of the applicable paragraphs included under 'Objectives' of the Surplus Property Act."

I do not undertake to comment upon this transaction other than from the standpoint of my duty under Section 20 of the Act, namely, to furnish you my opinion as to whether the proposed disposition "will violate the antitrust laws."

From the Memorandum it appears that on January 1, 1939 the steel industry in the United States had a total ingot capacity of 81,828,968 net tons, of which United States Steel Corporation had a capacity of 25,885,000 net tons, or 31.4% of the national capacity. The Memorandum shows further that on January 1, 1946, the steel industry in the United States had a total ingot capacity of 91,890,560 net tons, of which United States Steel Corporation had a capacity of 28,813,200 net tons (including the capacity of Government facilities at Homestead, Pennsylvania, of 1,895,000 tons), or 31.4% of the national capacity. Thus from January 1, 1939 until January 1, 1946, while the steel industry in this country experienced a net increase in capacity of approximately 10,000,000 tons, United States Steel Corporation experienced a slight net decline in its own actual capacity and a significant decrease in relation to the entire industry. The Memorandum also indicates that during 1945 United States Steel Corporation made 27.6% of the sales (in dollar volume) of the industry.

If the capacity of the Geneva Plant, amounting to 1,283,000 tons, is added to the present capacity of the United States Steel Corporation, that Corporation's share of the national capacity will rise from its present 31.4% to 32.7% of the national total. This is to be contrasted with the position of the United States Steel Corporation at the time of its formation in 1901, when it produced 50.1% of the Nation's Iron and steel output. See *United States v. United States Steel Corporation*, 223 Fed. 55, 67 (D. N. J., 1915); judgment for defendant affirmed, 251 U. S. 417 (1920).

I have also considered certain statistics regarding the capacity of the steel industry in the Far West.<sup>1</sup> These statistics show that the Far West, exclusive of Geneva, has an aggregate annual ingot capacity of approximately 3,619,000 tons, of which United States Steel Corporation has a capacity of approximately 628,000 tons, or 17.3%. Total far-western capacity, including Geneva, amounts to approximately 4,900,000 tons. If United States Steel Corporation acquires the Geneva Plant, it would have 1,911,000 tons, or 39% of the total capacity of the Far West. The total far-

<sup>1</sup> Included in the term "Far West" are the States of Washington, Oregon, California, Idaho, Nevada, Utah, Arizona, Montana, Wyoming, Colorado, and New Mexico.

western capacity, however, amounts only to approximately 5.3% of the total capacity of the steel industry in the United States.

I relate the above statistics in view of the analysis made by the Circuit Court of Appeals for the Second Circuit in *United States v. Aluminum Co. of America*, 148 F. (2d) 416 (1945). Therein the Court, in discussing the Aluminum Company's share of the domestic market, stated:

"The percentage we have already mentioned—over ninety—results only if we both include all 'Alcoa's' production and exclude 'secondary'. That percentage is enough to constitute a monopoly; *it is doubtful whether sixty or sixty-four percent would be enough; and certainly thirty-three percent is not*" (p. 424). [Italics ours.]

The Aluminum Co. case was cited with approval and at length by the Supreme Court in the recent case of *The American Tobacco Company v. United States*, 14 LW 4409 (decided June 10, 1946).

1909 In the light of the foregoing considerations and all the other pertinent circumstances of the case, I do not view the sale, as such, of this property by the War Assets Administration to the United States Steel Corporation as a violation of the antitrust laws. As the Department has previously stated in an opinion to you on a similar transaction, this advice does not extend to the conduct or the practice of the United States Steel Corporation in its use of the property, nor do I express herein any opinion concerning the legality or illegality of any acts or practices in which the United States Steel Corporation or its subsidiaries may have engaged or may hereafter engage, either alone or with others. My approval is subject to the further express condition that it shall be without prejudice to any pending or future determination, by or before any court or administrative agency having jurisdiction, regarding the legal status of any pricing policy followed by the United States Steel Corporation or by any of its subsidiary companies, either alone or with others.

In rendering this opinion, I am not unmindful that size carries with it the opportunity for abuse. To quote the language of the Supreme Court in *United States v. Swift & Co.* 286 U. S. 106 (1932):

"\* \* \* Mere size, according to the holding of this court, is not an offense against the Sherman Act unless magnified to the point at which it amounts to a monopoly (*United States v. United States Steel Corp.*, 251 U. S. 417; *United States v. International Harvester Co.* 274 U. S. 603, 708), but size carries with it an opportunity for abuse \* \* \* (p. 116).

The Department will continue to study and evaluate the activities of the steel industry with a view to preventing, eliminating,



or redressing any abuses contravening the antitrust laws. Further, if the circumstances warrant, I propose to report to the Congress under Section 205 of the War Mobilization and Reconversion Act concerning the status of the steel industry.

Sincerely yours,

[S] TOM C. CLARK,  
Attorney General.

1310 In the Supreme Court of the United States

*Statement of points to be relied upon*

(Filed January 16, 1948)

Now comes the Appellant in the above cause and for its statement of points upon which it intends to rely in its appeal in this Court adopts the points contained in its Assignment of Errors heretofore filed herein.

PHILIP B. PERLMAN,  
Solicitor General.

1311 CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the foregoing motion on Edwin D. Steel, Jr., Esquire, and Aaron Finger, Esquire, Counsel for Defendants-Appellees, by mailing the copies to them at their business addresses.

Philip B. Perlman,  
PHILIP B. PERLMAN,  
Solicitor General.

JANUARY 16, 1948.

1314 [File endorsement omitted.]

1315 In the Supreme Court of the United States

*Stipulation as to Parts of the Record To Be Printed*

(Filed January 19, 1948)

It is hereby stipulated and agreed between the parties, by their respective attorneys, that the following parts of the record are designated for printing:

1. Complaint, pp. 1 through 6.
2. Answer of Columbia Steel Company, United States Steel Corporation, and United States Steel Corporation of Delaware.
3. Answer of Consolidated Steel Corporation.

4. Order granting preliminary injunction.
5. Transcript of proceedings at the trial, pp. 1 through 787.
6. Plaintiff's Exhibits:
  1. (All.)
  2. (Interrogatories 7 together with Explanatory Note, 19, 20, and 21.)
  4. (Interrogatories 8 and 9.)
  7. (Request for Admission of Facts, Introductory paragraph and paragraph 6.)
  8. (Admissions, paragraph 6.)
  9. (All.)
  10. (All.)
  11. (All.)
  12. (Pages 1-23, inclusive, plus certification.)
  13. (Pages 1-10, inclusive, plus certification.)
  14. (All.)
  15. (All.)
  16. (All.)
  17. (All.)
  18. (All.)
  19. (All.)
  20. (All.)
  21. (All.)
  22. (All.)
- 1816 23. (All.)
24. (All.)
25. (All.)
26. (All.)
27. (All.)
28. (All.)
29. (All.)
30. (All.)
31. (All.)
32. (All.)
33. (All.)
34. (All.)
35. (All.)
36. (Pages 11-12 ("Purchase of Geneva Steel Plant"), 26 through 30, 36.)
7. Defendants' Exhibits:
  1. (All.)
  2. (All.)
  3. (All.)
  - 5.
  - 8.
  - 11.

- 12.
35. (All.)
36. (All.)
37. (All.)
38. (All.)
39. (All.)
40. (All.)
41. (All.)
42. (All.)
43. (All.)
44. (All.)
- 44a. (All.)
45. (All.)
46. (All.)
47. (All.)
48. (All.)
49. (All.)
50. (All.)
51. (All.)
52. (All.)
53. (All.)
54. (All.)
55. (All.)
56. (All.)
57. (All.)
58. (All.)
59. (All.)
60. (All.)
61. (All.)
62. (All.)
63. (All.)
64. (Title page, pages II, III, V, and page 1 through 29, inclusive.)
65. (All.)
66. (All.)
8. Opinion.
- 1317 9. Findings of Fact and Conclusions of Law.
10. Final Judgment.
11. Petition for Appeal.
12. Assignment of Errors.
13. Order Allowing Appeal.
14. Citation.
15. Statement Required by Rule 12.
16. Praecipe.
17. Proof of Service.
18. Appellant's Statement of Points.

It is further stipulated and agreed between the parties that in printing item No. 5, the transcript of the proceedings at the trial,

(a) On page 44 of the transcript, line 5, under "Virginia Bridge Co. Tonnage" for the year 1939 the figure "873" shall be printed instead of the figure "875."

(b) On page 384 of the transcript, after line 7, there shall be inserted the following:

"500. Rails, fastenings, frogs, and switches.—Angle Bars (Railway); Angle Plates (Railway); Crossovers, Railway; Derailers, Railway, Iron or Steel; Fish Plates; Nut Locks (Railway); Rail Anti-Creepers; Rail Anchors; Rail Braces; Rail Fastenings, N. O. I. B. N.; Rail Frogs; Rail Joints; Rails, Iron or Steel; Rail Spikes; Rail Splice Bars; Rail Stays; Railway Track Turnouts, Iron or Steel; Railway Track Welder Bars; Rail Yokes; Steel Ties, Railway; Switch Points, Railway; Switch Targets, Railway; Switches, Railway; Tie Bolts, Railway; Tie Plates, Railway; Tie Rods, Railway; Track Bolts, Railway; Track Nuts, Railway; Track Washers, Railway."

(c) On page 385 of the transcript, in the first line, the following shall be deleted: "Bands or Rods, Iron or Steel."

(d) On page 386 of the transcript after line 14, there shall be inserted the following: "Studding Sockets, Iron or Steel; Sucker Rods, Iron or Steel;"

1318 It is further stipulated and agreed between the parties that any exhibits introduced in the course of the trial before the District Court and which have been filed in this Court as part of the record in this case but which have not been designated for printing herein are deemed to be part of the transcript of record on appeal herein and that any party be permitted to refer to, quote from, or reproduce any of said exhibits in whole or in part in its briefs or oral argument before this Court, as fully as though they were included in the printed record in this Court.

PHILIP B. PERLMAN,

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United States Steel Corporation and  
United States Steel Corporation of Delaware.*

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Supreme Court of the United States

*Order noting probable jurisdiction*

Filed December 22, 1947

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted.

[Endorsement on cover?] File No. 52691. Delaware, D. C. U. S. Term No. 461. The United States of America, Appellant, vs. Columbia Steel Company, Consolidated Steel Corporation, United States Steel Corporation and United States Steel Corporation of Delaware. Filed December 2, 1947. Term No. 461 O. T. 1947.